

## Executive Branch Agencies

### Department of Administration

The Governor recommends a revised FY 2013 budget of \$109,027,163 from all funding sources, including \$46,839,916 from the State General Fund for the portion of the budget that is considered reportable. For the portion of the agency's budget commonly referred to as the "off budget," the Governor recommends \$93,714,132 from all funding sources for FY 2013. The Governor's FY 2013 budget recommendation will fund 518.15 FTE positions and 71.00 non-FTE unclassified permanent positions.

To get a clearer picture of the Department's operating budget, the table below itemizes the agency's funding sources other than debt and capital.

<b>Department of Administration Operating Budget</b> (Excluding Debt Service & Capital Expenses)			
	FY 2013 Gov. Est.	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
State General Fund-DoA	\$ 6,853,048	\$ 6,152,659	\$ 6,183,985
Off Budget-DoA	52,593,892	54,458,737	54,613,213
Off Budget-OITS	35,643,596	36,371,932	36,444,960
State General Fund-DOB	1,615,255	1,414,213	1,423,087
Public Broadcasting	1,041,000	600,000	600,000
Other Funds	4,504,983	4,859,298	4,896,575
<b>Total</b>	<b>\$102,251,774</b>	<b>\$103,856,839</b>	<b>\$104,161,820</b>

For FY 2014, the Governor recommends \$96,973,315 from all funding sources, including \$53,862,033 from the State General Fund. Expenditures of \$96,548,975 are recommended by the Governor for the "off budget" portion for the Department in FY 2014. A total budget of \$98,343,158 from all funding sources, including \$53,356,583 from the State General Fund is recommended by the Governor for FY 2015. The FY 2015 "off budget" recommendation is \$96,768,454. Included in the Governor's FY 2014 and FY 2015 budget recommendations is financing for 468.15 FTE positions and 71.00 non-FTE unclassified permanent positions.

Of the \$46.8 million recommended by the Governor from the State General Fund in FY 2013, approximately \$34.8 million is dedicated to making debt service payments on various bond issues, including bonds for the KDOT Comprehensive Transportation Program and the renovations to the

Statehouse. For FY 2014, of the \$53.9 million from the State General Fund recommended by the Governor, approximately \$44.0 million is for debt service. In FY 2015, of the \$53.4 million recommended by the Governor for State General Fund expenditures, approximately \$43.5 million is for debt service. The table below illustrates the amounts recommended by the Governor for debt service payments in the budget of the Department of Administration from the State General Fund for FY 2013, FY 2014, and FY 2015.

<b>Department of Administration SGF Debt Service Payments</b>			
	FY 2013 Gov. Est.	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
KDOT--CTP	\$16,150,775	\$16,148,425	\$16,146,050
Statehouse Renovation	13,404,605	22,835,804	20,987,985
Debt Service Restruct.	2,220,675	2,220,676	3,545,851
Docking Chillers	240,000	23,200	--
NBAF Facility Bonds	2,780,807	2,778,305	2,780,874
<b>Total</b>	<b>\$34,796,862</b>	<b>\$44,006,410</b>	<b>\$43,460,760</b>

The Governor recommends that \$57.7 million from the Expanded Lottery Act Revenues Fund in FY 2013, \$37.7 million in FY 2014, and \$39.5 million in FY 2015 be used to pay the debt service on a portion of the Statehouse renovation bonds, for the digital conversion of public broadcasting radio and television stations, and to pay down the debt on the KPERS pension obligation bonds. Included in the FY 2013 recommendation is funding to pay off the remaining debt on the Statehouse parking garage and to pay off the debt service on improvements to the Judicial Center. The amounts are specified on the table below for each project.

<b>Department of Administration ELARF Debt Service Payments</b>			
	FY 2013 Gov. Est.	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
KPERS Pension Oblg.	\$36,142,328	\$36,139,151	\$36,135,483
Statehouse Renovation	9,379,395	1,274,501	3,119,748
Statehouse Parking Garage	10,137,244	--	--
Public Broadcasting	1,578,000	238,332	234,769
Judicial Center	445,297	--	--
<b>Total</b>	<b>\$57,682,264</b>	<b>\$37,651,984</b>	<b>\$39,490,000</b>

**Public Broadcasting.** The Governor is recommending \$1,041,000 from the State General

Fund in FY 2013 and \$600,000 in both FY 2014 and FY 2015 from the Economic Development Initiatives Fund for grants for public broadcasting stations to continue to provide services to the citizens of the State of Kansas. The Governor also recommends that public broadcasting stations continue to find additional ways to generate additional funding.

## **Office of Administrative Hearings**

The Office of Administrative Hearings conducts impartial hearings for affected parties when the actions of state agencies are contested. The agency derives its revenue based on service contracts with various state agencies. For budget purposes, expenditures for the agency are considered entirely “off budget,” as the state agencies that have contracted with the Office of Administrative Hearings record the expense for the agency’s services. Revised expenditures of \$909,706 in FY 2013 are recommended by the Governor. For FY 2014, the Governor recommends expenditures of \$932,142 and \$937,456 in FY 2015. All expenditures recommended by the Governor will come from the agency’s Administrative Hearings Office Fund. The Governor’s recommendations will fund 10.00 FTE positions in FY 2013, FY 2014, and FY 2015. None of these expenditures appear in the schedules in the back of this volume, as they are not considered reportable.

## **Kansas Corporation Commission**

The Kansas Corporation (KCC) is the regulatory agency that oversees rates for major utilities, petroleum exploration and production, as well as some facets of the transportation. The primary function of the agency is to protect the public’s interest through the resolution of jurisdictional issues. For FY 2013, the Governor recommends expenditures of \$22,399,267 from fee and federal funds. This is an increase of \$1.4 million above the approved budget adopted by the Legislature. The increase is due to the final year of American Recovery and Reinvestment Act (ARRA) spending for energy related grants. For FY 2014, the Governor recommends expenditures of \$20,932,026 from agency fee and federal funds, a decrease from FY 2013 budgeted expenditures partly due to the end of ARRA funding. The Governor’s recommendation also reduces the agency’s budgeted

fee fund expenditures by \$429,541 across all five programs. The Governor maintains FY 2014 funding into FY 2015 totaling \$21,048,148 from agency fee and federal funds. The slight increase in FY 2015 is due to adjustments in salary and wage benefits.

**Abandoned Oil & Gas Well Plugging.** The Abandoned Oil and Gas Fund is used for the investigation, remediation, and plugging of oil and gas wells that were abandoned prior to July 1, 1996. Abandoned wells pose a threat to public health and to the environment. By statute, the fund is to receive an annual transfer of \$400,000 from the State General Fund, a \$400,000 transfer from the State Water Plan Fund, and an internal transfer of \$400,000 from the Conservation Fee Fund. The Governor does not recommend the transfer from the State General Fund for FY 2013, FY 2014, or FY 2015. The State Water Plan Fund transfer of \$400,000 is recommended by the Governor in all three years, and the agency will transfer the \$400,000 into the Abandoned Oil and Gas Fund. This will allow the agency to plug 400 wells in FY 2013, 310 in FY 2014, and 381 in FY 2015. The agency has indicated that the estimate for number of contract employees available for well plugging has been reduced in 2014 and 2015 because of the dramatic increase in oil and gas drilling in the state. The number of horizontal well drilling permits has increased from 19 in FY 2011 to 220 in FY 2013. In order to accommodate the increase in drilling activity, the Conservation Division has reduced the average number of days to process horizontal drilling applications from 40 days in FY 2011 to two days in FY 2013.

## **Citizens Utility Ratepayer Board**

The primary responsibility of the Citizens Utility Ratepayer Board (CURB) is to represent the interests of residential and small business utility consumers in proceedings before the Kansas Corporation Commission. The agency is funded through quarterly assessments to the utility companies that are then covered in the utility rates of the consumers CURB represents. One of the most important issues facing utility ratepayers today is the cost of retrofitting or replacing existing fossil fuel electric generation to comply with changing environmental requirements. This is of particular concern since the majority of the electricity in Kansas is produced from coal fired

generation. For FY 2013, the Governor recommends expenditures of \$843,918 from the Utility Regulatory Fee Fund. The amount recommended for FY 2014 and FY 2015 are \$845,040 and \$853,668 respectively. The agency has a staff of 6.00 FTE positions.

### **Kansas Human Rights Commission**

It is the mission of the Kansas Human Rights Commission to eliminate and prevent discrimination in places of work, housing, and public accommodations throughout the state. In addition, the Commission also receives, reviews, and investigates complaints alleging racial discrimination and profiling in conjunction with traffic stops.

The recommended budget of \$1,095,371 from the State General Fund and \$1,668,398 from all funding sources. For FY 2015, an all funds budget of \$1,679,219 is recommended, which includes \$1,101,577 from the State General Fund.

### **Board of Indigents Defense Services**

The Board of Indigents Defense Services provides legal services to Kansans who have been charged with a felony and cannot afford a lawyer. The Board operates ten primary and two satellite trial public defender offices, an appellate defender office, two conflicts offices, two death penalty defense units, and two death penalty appeals offices.

For FY 2013, the Governor recommends \$24.2 million, including \$23.4 million from the State General Fund. The FY 2013 recommendation includes a reduction of \$400,000 for assigned counsel and an increase of \$450,000 for expert witnesses and court reporters. The number of filings has recently declined but the costs for expert witnesses and court reporters continues to increase. For both FY 2014 and FY 2015, the recommendation is \$23.8 million, including \$23.0 million from the State General Fund. The Governor recommends that the assigned counsel rate remain at \$62 per hour, rather than the statutory rate of \$80 per hour, across the state.

### **Health Care Stabilization Fund Board of Governors**

State law mandates basic professional liability insurance for all active Kansas health care providers.

The Health Care Stabilization Fund Board of Governors stabilizes the availability of this insurance through the establishment of the Health Care Stabilization Fund and the operation of the Health Care Provider Insurance Availability Act. On October 5, 2012, the Kansas Supreme Court upheld the constitutionality of the Kansas statute that limits a medical malpractice plaintiff's jury award for non-economic damages to \$250,000.

For FY 2014, the Governor's budget includes expenditures of \$37.5 million to continue the operations of the ten-member Board and its 18.00 FTE positions. Of that amount, \$29.4 million is estimated for settlement claims. Projecting into FY 2015, \$43.2 million is recommended, of which \$34.1 million is estimated for settlement claims. All expenditures are from the Health Care Stabilization Fund. In FY 2014, a \$4.0 million transfer from the State General Fund that had been suspended in recent years will resume. This transfer covers the state's cost to self-insure the basic professional liability of residents in training and the physician faculty members at the University of Kansas Medical Center.

### **Kansas Public Employees Retirement System**

The mission of KPERS is to pay benefits to eligible retirees by safeguarding the system's assets. This is accomplished by adhering to the highest standards of fiduciary and professional care, to comply strictly with the law, and to conduct business in a courteous, timely and effective manner. For FY 2014, the Governor recommends expenditures of \$46,021,086 from all funding sources, including \$3,206,406 from the State General Fund. This amount from the State General Fund supports the debt service payments for the KPERS 13th check bond issue. The budget will support 97.35 FTE positions and 1.00 non-FTE unclassified permanent position. FY 2014 expenditures from the State General Fund represent the final debt service payment for the KPERS 13th check benefit.

The Governor recommends expenditures of \$42,865,086 from all funding sources for FY 2015, which will support 97.35 FTE positions and 1.00 non-FTE positions. No State General Fund appropriation is included in the KPERS budget in FY 2015, as the bonds for the 13th check are paid off in FY 2014.

2012 Senate Substitute for HB 2333 requires that, after an initial transfer to select Kansas universities, half of the remaining monies credited to the Enhanced Lottery Act Revenues Fund (ELARF) be transferred to KPERS for the purposes of reducing the unfunded actuarial liability.

## **Department of Commerce**

The Department of Commerce works to deliver the highest level of business development, workforce, and marketing services to build a healthy and expanding Kansas economy. The Governor recommends \$152,568,468 in FY 2013, including \$15.5 million from the State General Fund and \$19,083,708 from the Economic Development Initiatives Fund (EDIF). The Governor recommends 192.00 FTE positions in FY 2013, which is a reduction of 46.00 FTE positions from the amount approved by the 2012 Legislature.

The Governor recommends \$144,111,428 in FY 2014, including \$15.0 million from the State General Fund and \$14,117,010 from the EDIF. For FY 2015, the Governor recommends total expenditures of \$144,215,538, including \$15.0 million from the State General Fund and \$14,146,974 from the EDIF. The recommendation includes \$275,000 from the EDIF in both FY 2014 and FY 2015 for the new Accelerate Entrepreneurship Program. This program is designed to increase the number of entrepreneurs in the state by providing incentives to Kansas educational institutions for each student or faculty member who starts a new company with at least one separate full time employee. For FY 2013, the Governor recommends capping the amount that is transferred from state income tax withholdings to the Job Creation Program Fund at \$10.0 million, which will allow \$10,180,725 to be retained by the State General Fund.

The Governor recommends capping the amount that is transferred from state income tax withholding to the Job Creation Program Fund at \$10.0 million in both FY 2014 and FY 2015, which will retain \$2,185,450 and \$4,189,650 in the State General Fund in FY 2014 and FY 2015, respectively.

The Medicaid Reform Employment Incentive will be funded with \$500,000 from the EDIF in both FY 2014 and FY 2015. This program provides incentives for companies that employ and train individuals with

disabilities. This pilot program began in FY 2013 and was previously funded from the State General Fund. The Governor recommends funding the State Affordable Airfare Program in both FY 2014 and FY 2015 with a \$5.0 million transfer from the State Highway Fund. This program provides subsidies for more flight options, competition for air travel, and more affordable air fares. This program was previously funded by a transfer from the EDIF.

The Governor recommends \$15.0 million from the State General Fund in both FY 2014 and FY 2015 to continue funding the university grant research program to expand research in key areas affecting the state's economy. The program provide \$5.0 million each to three separate areas: animal health research at Kansas State University, cancer research at the University of Kansas Medical Center, and aviation research at Wichita State University. The universities will provide a dollar for dollar match to the state support and a plan to the Secretary of Commerce as to how the research activities create additional jobs for the state.

The first \$10.5 million credited to the Expanded Lottery Act Revenues Fund through FY 2022 will be transferred to the Department of Commerce to fund the University Engineering Initiative. The Department of Commerce manages this program to ensure that each of the universities involved generate the required dollar for dollar match from non-state sources. The goal of this program is to increase the number of engineering graduates from the state's universities. The University of Kansas, Kansas State University and Wichita State University will each receive \$3.5 million annually from this program in FY 2013, FY 2014, and FY 2015. Further discussion of the agency's budget can be found in the sections on the Economic Development Initiatives Fund and Expanded Lottery Act Revenues Fund.

## **Kansas Lottery**

The Kansas Lottery strives to produce the maximum amount of revenue for the state and to maintain the integrity of all games. The Kansas Expanded Lottery Act authorizes the Kansas Lottery to be the owner of electronic gaming machines at parimutuel racetracks and at gaming operations at state-owned destination casinos. The Kansas Lottery collects and distributes revenue from state-owned gaming facilities. Lottery

expenditures are funded through revenues generated from the sale of lottery tickets and through the reimbursement of expanded lottery expenses directly from gaming facility managers. The Kansas Lottery is mandated by statute to remit all excess revenues from the sale of lottery tickets to the State Gaming Revenues Fund (SGRF). The agency does not receive monies from the State General Fund, and no tax generated revenue sources are used to support the Kansas Lottery.

The Governor recommends total expenditures of \$322,038,954 for FY 2013, a decrease of \$36.1 million compared to the budget approved by the 2012 Legislature. The decrease in expenditures is primarily a result of a decrease in gaming facility payments that are estimated to be paid out of the Lottery's budget. The FY 2013 budget recommendation is based on continued revenue growth at the casino in Sumner County, which is offset by lower revenue estimates at the casinos in Dodge City and Wyandotte County, which will require smaller payments to gaming facility managers and to the cities and counties where these gaming facilities are located. Gaming facilities authorized by the state's expanded gaming statutes are estimated to generate a total of \$359.1 million in gaming revenue in FY 2013, which is distributed by a formula and by contract with each individual gaming facility manager.

The FY 2013 lottery ticket sales goal was increased from \$243.0 million to \$246.5 million. The agency will transfer \$74.5 million to the SGRF in FY 2013, which is an increase of \$2.0 million from the amount approved by the 2012 Legislature. Included in the lottery ticket sales estimate is \$4.5 million from the sale of veterans benefit lottery games that designate the net proceeds to be used for various programs servicing the state's veterans. The projected SGRF transfer includes an estimated \$1.2 million from the sale of veterans benefit lottery games in the current year.

The Governor recommends \$343,157,756 in expenditures with 90.00 FTE positions and 15.00 non-FTE unclassified permanent positions for FY 2014. The increase in expenditures when compared to FY 2013 is largely from additional gaming facility pass-through payments. In FY 2014, the state's three gaming facilities are estimated generate a total of \$385.9 million in gaming revenue.

The Governor recommends total transfers of \$73.5 million to the SGRF on estimated total ticket sales of \$246.0 million for FY 2014. The Lottery estimates \$4.5 million in veterans benefit lottery games which are included in the overall FY 2013 sales target. Various veterans programs are estimated to receive a total of \$1.2 million from the profits of veterans benefit lottery games.

The Governor recommends \$356,853,298 in expenditures with 90.00 FTE positions and 15.00 non-FTE unclassified permanent positions for FY 2015. Gaming facilities are estimated to generate a total of \$403.2 million in gaming revenue in FY 2015.

The FY 2015 lottery ticket sales goal was set at \$247.0 million, which will allow \$74.5 million to be transferred to the SGRF in FY 2015. The lottery ticket sales estimate includes \$4.5 million from the sale of veterans benefit lottery games and the SGRF transfer includes an estimated \$1.2 million from the profits from the sale of veterans benefit lottery games. A complete explanation of receipts to the Expanded Lottery Act Revenues Fund and State Gaming Revenues Fund can be found in the Budget Issues section of this volume.

## **Kansas Racing & Gaming Commission**

The mission of the Kansas Racing and Gaming Commission is to protect the integrity of the racing and gaming industries through enforcement of Kansas laws and is committed to preserving and instilling public trust and confidence. The Kansas Racing and Gaming Commission consists of three separate programs: Racing Operations, Expanded Gaming Regulation, and Tribal Gaming Regulation.

**Racing Operations.** The Racing Operations Program regulates statewide horse and dog racing activities across the state, including the conduct of races, parimutuel wagering, and the collection of parimutuel taxes, admission taxes, and licensing fees. There are currently no parimutuel racetracks operating in the state and the Commission does not anticipate any racing activity in FY 2013, FY 2014, or FY 2015. The agency anticipates expenditures for this program of \$3,425 in FY 2013, \$3,441 in FY 2014, and \$3,459 in FY 2015 for costs associated with storing records and maintaining the Kansas Bred Registry.

**Expanded Gaming Regulation.** The Expanded Gaming Regulation Program provides oversight and regulation of gaming facility managers and the operations of state-owned gaming facilities. Responsibilities include background investigations on all gaming employees, management contractors, manufacturers and distributors seeking licensure at gaming facilities located in the state; investigation of any alleged violations of the Kansas Expanded Lottery Act; and auditing of net gaming revenue at each gaming facility. This program is responsible for providing the necessary regulation and oversight of the three state-owned gaming facilities that operate in Dodge City, Sumner County, and Wyandotte County. All expenses incurred for the regulation of gaming facilities are fully reimbursed by each gaming facility manager.

The Governor recommends expenditures of \$5,910,672 for the Expanded Gaming Regulation Program in FY 2013, which is an increase of \$469,634 from the agency's FY 2013 approved budget. The increase is a combination of additional salaries and wages needed to fully staff regulatory positions at the three state-owned casinos and the expenses associated with additional background investigations of potential gaming employees. The agency plans to use 70.50 FTE positions in FY 2013 to manage both the Racing Operations and Expanded Gaming Regulation Programs, which is a reduction of 3.50 FTE positions from the amount approved by the 2012 Legislature.

The Governor recommends expenditures of \$5,791,392 in FY 2014 and \$5,825,099 in FY 2015 for the Expanded Gaming Regulation Program. The recommendations will allow the agency to provide the necessary regulation and oversight of the state's three gaming facilities. The Governor recommends 70.50 FTE positions in both FY 2014 and FY 2015 to manage both the Racing Operations and Expanded Gaming Regulation Programs.

**Tribal Gaming Regulation.** The Tribal Gaming Regulation Program fulfills the state's responsibilities relative to the State-Tribal Compacts and the Tribal Gaming Oversight Act in the regulation of tribal gaming in Kansas. Responsibilities include conducting background checks of tribal gaming employees, monitoring compliance with internal controls and gaming rules, and monitoring compliance with licensing criteria. The Governor recommends

\$1,774,152 for the Tribal Gaming Regulation Program in FY 2013, which is a reduction of \$126,861 from its FY 2013 approved budget. The Governor recommends expenditures of \$1,795,548 in FY 2014 and \$1,806,016 in FY 2015 for the Tribal Gaming Regulation Program. All expenses of the Tribal Gaming Regulation Program are financed through the Tribal Gaming Fund, which is capitalized through assessments to the state's four tribal casinos. The Governor recommends 23.00 FTE positions in FY 2013 which is a reduction of 1.00 FTE position from the amount approved by the 2012 Legislature. The agency plans to maintain 23.00 FTE positions for the Tribal Gaming Regulation Program in both FY 2014 and FY 2015.

## **Department of Revenue**

The Department of Revenue's primary function is collecting taxes for the state. The Department's responsibilities also include registration of motor vehicles, licensure of drivers, and regulation of the alcoholic beverage industry. To fulfill its mission, the Governor recommends expenditures of \$102,920,206 from all funding sources for FY 2013, which includes \$16,091,541 from the State General Fund and \$48,139,472 from the Division of Vehicles Operating Fund.

The FY 2013 recommendation represents an increase of approximately \$7.2 million from all funding sources above the agency's total approved budget. The increase is largely attributable to additional expenditures from the Division of Vehicles Modernization Fund. This fund was established during the 2008 Legislative Session to collect funding from a special assessment on motor vehicle registrations. The funding is intended for the sole purpose of implementing the Division of Vehicles Modernization Project, to integrate three antiquated vehicles systems into one, and create efficiencies which span across state and local government. The Governor's FY 2013 State General Fund recommendation matches the approved amount set by the 2012 Legislature.

For FY 2014, the Governor recommends \$97,342,046 from all funding sources, including \$14,489,641 from the State General Fund and \$47,385,713 from the

Division of Vehicles Operating Fund. The recommendation is approximately \$5.6 million below the FY 2013 recommendation. The decrease in expenditures is due to a reduction in expenditures from the Division of Vehicles Modernization Fund as the second and final phase of the Division of Vehicles Modernization Project is expected to come to a close. The Governor recommends total expenditures for the Division of Vehicles Modernization Project of \$2,298,132 in FY 2014. Additional savings in State General Fund support are included in the Governor's FY 2013 recommendation as the agency works to produce greater efficiencies across all programs.

For FY 2015, the Governor recommends \$96,789,676, including \$14,597,812 from the State General Fund and \$47,643,302 from the Division of Vehicles Operating Fund. The FY 2015 recommendation is, again, below recommended expenditures for the prior year because of reduced expenditures from the Division of Vehicles Modernization Fund. The Governor recommends total project expenditures of \$1,320,409 in FY 2015. Project expenditures from the fund in FY 2015 will be used to maintain and enhance the new system.

The recommendations are sufficient to finance 994.00 FTE positions, other operating expenses, and allow the agency to provide necessary services for the public in all three fiscal years.

## **Court of Tax Appeals**

The Court of Tax Appeals is responsible for ensuring that all property in the state is assessed in an equal and uniform manner. The agency is a specialized court within the executive branch that hears appeals from taxpayers regarding property tax issues concerning exemptions or valuation questions. The Court resolves conflicts on issues between many taxing authorities and the taxpayers of the state, corrects tax inequities, determines a property's qualification for tax exemption, authorizes taxing subdivisions to exceed current budget limitations, and issues no-fund warrants.

For FY 2013, the Governor recommends \$2,194,076 from all funding sources, including \$963,703 from the State General Fund. The State General Fund recommendation for FY 2013 is \$200,000 above the approved amount set by the 2012 Legislature. The agency expects to incur one-time costs to move to smaller and less expensive office space; these one-time costs will be recouped in lower rent payments. For FY 2014, the Governor recommends \$1,968,724 from all funding sources, including \$919,731 from the State General Fund. For FY 2015, the Governor recommends expenditures of \$1,980,365, including \$925,642 from the State General Fund. The remainder of the Court's financing is from fee funds, in support of 19.00 FTE positions in each fiscal year.

# Department of Administration

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**Mission.** The mission of the Department is to provide exceptional quality services in partnership with other state agencies that add value and enhance the quality of life of citizens and visitors.

**Operations.** The Department of Administration is the primary provider of central administrative support services to state agencies. The Department is managed by the Secretary of Administration, who is appointed by and serves at the pleasure of the Governor. The major boards and commissions of which the Secretary of Administration is a member include the Capitol Area Plaza Authority, Kansas State Employees' Health Care Commission, Information Technology Executive Council, State Building Advisory Commission, and the Topeka Public Building Commission. In addition, the Secretary serves as Secretary of the State Finance Council and is a member of the Governor's cabinet.

Through its several offices, the Department develops financial policies and plans, including preparation and administration of the state budget; operates and supervises uniform centralized accounting, purchasing, and personnel systems; oversees the design and

construction of all state buildings; manages the state's central data processing and telecommunications systems; operates the state printing plant; develops and administers the state Affirmative Action Program; maintains and operates office buildings in Topeka; and oversees rented and leased space by state agencies.

Many of the programs of the Department are financed wholly or in part by fees collected from user agencies for the services provided. Agency payments are credited to intragovernmental service funds established to pay operating expenditures of the programs. Fees paid to the Department for the services it provides are included in user agency budgets and not in the Department's budget to avoid double reporting. A summary of these expenditures, referred to as the Off Budget, is provided following the Department's budgeted programs for information and review.

**Statutory History.** The 1953 Legislature created the Department of Administration. Major revisions to its organizational structure occurred in 1965, 1972, 1974, 1978, 2005, and 2012. Current statutory provisions are found in KSA 75-3701 et seq.



## Department of Administration

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Program					
Administration	1,260,626	1,315,833	1,348,070	1,075,124	1,083,721
Public Broadcasting Council	2,092,400	1,041,000	600,000	600,000	600,000
Office of Systems Management	1,129,102	2,312,124	2,315,681	2,274,242	2,277,640
Office of General Services	2,775,465	2,499,264	2,495,482	2,498,315	2,503,594
Budget Analysis	1,393,058	1,617,955	1,418,323	1,416,913	1,425,787
Office of Human Resources	1,674,595	1,485,261	1,496,069	1,379,874	1,389,226
Office of Business Process Improvement	1,327,877	1,621,309	1,628,442	1,626,958	1,637,315
Office of Facilities & Property Management	3,693,494	667,514	1,017,514	1,017,514	1,040,014
Office of Inspector General	634,692	1,538,088	1,559,112	1,226,187	1,235,307
Debt Service & Capital Improvements	82,208,519	95,012,877	82,857,840	83,947,145	85,239,511
<b>Total Expenditures</b>	<b>\$98,189,828</b>	<b>\$109,111,225</b>	<b>\$96,736,533</b>	<b>\$97,062,272</b>	<b>\$98,432,115</b>
Expenditures by Object					
Salaries and Wages	6,984,649	7,241,853	7,295,628	6,532,062	6,587,039
Contractual Services	2,223,319	4,260,100	4,426,140	4,426,140	4,448,640
Commodities	1,488,728	1,361,070	1,361,070	1,361,070	1,361,070
Capital Outlay	70,714	62,555	62,555	62,555	62,555
Debt Service	48,506,243	47,738,072	46,681,118	47,440,423	45,980,760
<b>Subtotal: State Operations</b>	<b>\$59,273,653</b>	<b>\$60,663,650</b>	<b>\$59,826,511</b>	<b>\$59,822,250</b>	<b>\$58,440,064</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	1,560,594	1,088,708	644,343	644,343	644,343
<b>Subtotal: Operating Expenditures</b>	<b>\$60,834,247</b>	<b>\$61,752,358</b>	<b>\$60,470,854</b>	<b>\$60,466,593</b>	<b>\$59,084,407</b>
Capital Improvements	37,271,190	47,274,805	36,176,722	36,506,722	39,258,751
<b>Total Reportable Expenditures</b>	<b>\$98,105,437</b>	<b>\$109,027,163</b>	<b>\$96,647,576</b>	<b>\$96,973,315</b>	<b>\$98,343,158</b>
Non-expense Items	84,391	84,062	88,957	88,957	88,957
<b>Total Expenditures by Object</b>	<b>\$98,189,828</b>	<b>\$109,111,225</b>	<b>\$96,736,533</b>	<b>\$97,062,272</b>	<b>\$98,432,115</b>
Expenditures by Fund					
State General Fund	92,836,037	46,839,916	50,016,459	53,862,033	53,356,583
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	600,000	600,000
Children's Initiatives Fund	--	--	--	--	--
Building Funds	210,000	280,000	450,000	450,000	472,500
Other Funds	5,143,791	61,991,309	46,270,074	42,150,239	44,003,032
<b>Total Expenditures by Fund</b>	<b>\$98,189,828</b>	<b>\$109,111,225</b>	<b>\$96,736,533</b>	<b>\$97,062,272</b>	<b>\$98,432,115</b>
FTE Positions	99.80	93.57	93.57	93.57	93.57
Non-FTE Unclassified Permanent	3.50	5.84	5.84	5.84	5.84
<b>Total Positions</b>	<b>103.30</b>	<b>99.41</b>	<b>99.41</b>	<b>99.41</b>	<b>99.41</b>

## **Administration**

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**Operations.** The General Administration Program includes three subprograms. The Office of the Secretary is responsible for the general supervision of the agency, establishment of departmental priorities, and allocation of resources. The Secretary serves as a member of the Information Technology Executive Council, the Kansas State Employees' Health Care Commission, the Capitol Area Plaza Authority, and the Topeka Public Building Commission. In addition, the Secretary of Administration serves as Secretary to the State Finance Council.

The Legal Section provides legal representation and services for Department of Administration legal matters and provides certain legal services to other state agencies on both advisory and contract bases.

In addition, the Legal Section maximizes fiscal resources available to the state in the context of continuing legal education for state agency attorneys and editing services for proposed administrative regulations.

The Office of the Long-Term Care Ombudsman advocates for the well-being, safety, and rights of the residents of Kansas long-term care facilities and to develop strategies to assist residents in attaining the highest possible quality of life.

**Goals and Objectives.** The goals of the Office of the Secretary are to provide supervision for the offices of the Department, establish priorities and allocate resources to further the agency's mission.

**Statutory History.** The Department was created by the 1953 Legislature. Major revisions to its organizational structure occurred in 1965, 1972, 1974, 1978, 2005, and 2012. Statutory provisions are found in KSA 75-3701 et seq. KSA 27-117 provides for the distribution of flood control lease monies paid to the State Treasurer for schools, roads, and county expenses. KSA 10-811 and KSA 46-921 provide for cancellation and redemption of state warrants. KSA 75-3083 requires the Director of Accounts and Reports to transfer interest earned on federal monies to meet interest payment obligations on a monthly basis.

*Department of Administration*  
**Administration**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	994,952	1,137,823	1,146,811	873,865	882,462
Contractual Services	239,303	160,310	183,559	183,559	183,559
Commodities	11,629	1,200	1,200	1,200	1,200
Capital Outlay	14,742	16,500	16,500	16,500	16,500
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,260,626</b>	<b>\$1,315,833</b>	<b>\$1,348,070</b>	<b>\$1,075,124</b>	<b>\$1,083,721</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$1,260,626</b>	<b>\$1,315,833</b>	<b>\$1,348,070</b>	<b>\$1,075,124</b>	<b>\$1,083,721</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,260,626</b>	<b>\$1,315,833</b>	<b>\$1,348,070</b>	<b>\$1,075,124</b>	<b>\$1,083,721</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,260,626</b>	<b>\$1,315,833</b>	<b>\$1,348,070</b>	<b>\$1,075,124</b>	<b>\$1,083,721</b>
Expenditures by Fund					
State General Fund	1,122,538	1,177,924	1,209,032	936,231	943,826
Water Plan	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	138,088	137,909	139,038	138,893	139,895
<b>Total Expenditures by Fund</b>	<b>\$1,260,626</b>	<b>\$1,315,833</b>	<b>\$1,348,070</b>	<b>\$1,075,124</b>	<b>\$1,083,721</b>
FTE Positions	13.10	10.70	10.70	10.70	10.70
Non-FTE Unclassified Permanent	1.00	2.00	2.00	2.00	2.00
<b>Total Positions</b>	<b>14.10</b>	<b>12.70</b>	<b>12.70</b>	<b>12.70</b>	<b>12.70</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of agency training sessions for legal training	12	12	12	12

## **Public Broadcasting Council**

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**Operations.** The Kansas Public Broadcasting Council was created by the 1993 Legislature, which concurrently abolished the Public Broadcasting Commission, formerly a separate state agency. The members of the Council of Directors include one representative from each eligible public television and radio station. The purpose of the Council is to facilitate the individual and cooperative efforts of its members to provide high quality, Kansas-based public broadcasting service to all citizens of the state.

Appropriations to the Council are distributed as operating grants to the stations. The distribution formula is based on the number and type of facilities managed by each station and provides a base grant to rural stations. Funds for grants were appropriated to the Department of Administration for the first year in FY 1995 for distribution to the stations. Since FY 1998 the distribution formula has been based on the number and type of facilities that are managed by each station and provides a base grant to rural stations.

The 2000 Legislature authorized \$6.0 million in funds to be issued for the public television stations in Kansas to convert to digital technology. The bonds were issued in July 2001, and debt service payments were budgeted for the first time in FY 2002.

**Goals and Objectives.** The Council has identified several goals, one of which is to ensure that high quality public broadcast signals are available to all Kansans. In order to attain this goal, the Council intends to take advantage of available state, federal, and private funding for purchase of broadcast equipment, such as signal translators, and to begin

extension of radio service to unserved areas. The Council also plans to expand educational, cultural, and information services to Kansans by developing partnerships with such other telecommunication organizations as cable companies and educational institutions to extend the interactive fiber network throughout the state. The goals identified by the Council include the following:

Facilitate the individual and cooperative efforts of member stations to provide local, state, and national high quality public access to all citizens.

Coordinate public media access in a cost effective manner.

Develop locally based content that is easily accessed by Kansas citizens.

**Statutory History.** The 1993 Legislature established the Kansas Public Broadcasting Council Act (KSA 75-4912 et seq.) to replace the previous Commission with the Kansas Public Broadcasting Council. These statutes prescribe certain duties relative to the support of existing public television and radio stations and the development of new stations. The statutes also define which stations are eligible for grants through the Council and limit the purposes for which each may use state funds. KSA 75-4912 authorizes the Council to make grants from the proceeds of revenue bonds issued by the Kansas Development Finance Authority approved by the Legislature. The grants were made to public television stations to match federal funds for capital equipment purchases for the conversion to digital television and radio broadcasting.

## Public Broadcasting Council

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	--	--	--	--	--
Contractual Services	--	--	--	--	--
Commodities	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service	240,106	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$240,106</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	1,482,294	1,041,000	600,000	600,000	600,000
<b>Subtotal: Operating Expenditures</b>	<b>\$1,722,400</b>	<b>\$1,041,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Capital Improvements	370,000	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$2,092,400</b>	<b>\$1,041,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$2,092,400</b>	<b>\$1,041,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Expenditures by Fund					
State General Fund	2,092,400	1,041,000	600,000	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	600,000	600,000
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	--	--	--	--	--
<b>Total Expenditures by Fund</b>	<b>\$2,092,400</b>	<b>\$1,041,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Private funding received by member stations of the Public Broadcasting Council (in millions)	\$14.0	\$14.0	\$14.0	\$14.0

## **Office of Systems Management**

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**Operations.** The purpose of the Office of Systems Management is to provide the following major central system service to all state agencies: purchasing, accounting, human resources, payroll, and a reporting database for business intelligence software.

The Office comprises five teams that support these central service responsibilities. Finance maintains the Statewide Management, Accounting, and Reporting Tool (SMART); Payroll Services maintains the payroll aspects of the Statewide Human Resources and Payroll System (SHARP); Human Resources maintains the human resource aspects of SHARP as well as the system administration for the reporting database; the SMART Help Desk supports agencies by maintaining a system for problem reporting and resolution, providing vendor administration, check distribution, as well as providing a web site for user access to system communications; and Central Responsibilities, which include other central accounting and payroll services. Expenditures for the On Budget program are reflected

on the opposite page, while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

**Goals and Objectives.** The Office of Systems Management has developed the following goals:

Increase customer service satisfaction with administrative systems' responsiveness.

Ensure accurate vendor file maintenance and processing.

Ensure timely response to Department and other state agency requests for assistance.

**Statutory History.** The Office of Systems Management was established during FY 2012 after a Departmental reorganization. Statutory authority for central mail services is located in KSA 75-4511 through KSA 75-4512.

*Department of Administration*  
**Office of Systems Management**

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	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	721,904	444,514	448,071	406,632	410,030
Contractual Services	407,198	1,855,435	1,855,435	1,855,435	1,855,435
Commodities	--	12,175	12,175	12,175	12,175
Capital Outlay	--	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,129,102</b>	<b>\$2,312,124</b>	<b>\$2,315,681</b>	<b>\$2,274,242</b>	<b>\$2,277,640</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$1,129,102</b>	<b>\$2,312,124</b>	<b>\$2,315,681</b>	<b>\$2,274,242</b>	<b>\$2,277,640</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,129,102</b>	<b>\$2,312,124</b>	<b>\$2,315,681</b>	<b>\$2,274,242</b>	<b>\$2,277,640</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,129,102</b>	<b>\$2,312,124</b>	<b>\$2,315,681</b>	<b>\$2,274,242</b>	<b>\$2,277,640</b>
Expenditures by Fund					
State General Fund	1,129,102	2,312,124	2,315,681	2,274,242	2,277,640
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	--	--	--	--	--
<b>Total Expenditures by Fund</b>	<b>\$1,129,102</b>	<b>\$2,312,124</b>	<b>\$2,315,681</b>	<b>\$2,274,242</b>	<b>\$2,277,640</b>
FTE Positions	6.60	6.60	6.60	6.60	6.60
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>

**Performance Measures**

This program was established in FY 2012 and has not yet developed any performance measures.

## **Office of General Services**

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**Operations.** The Office of General Services has the following primary functions: Setoff Collections, Printing and Surplus Property, Department of Administration Accounting Services, Central Mail, and Parking Administration.

The Setoff Collections Program allows the Department to setoff monies the state owes debtors against monies owed to the State of Kansas. In 1993, the program became available to municipalities and in 1996 to the district courts. Printing provides printing, copying, and binding services for state agencies. Surplus Property facilitates the disposition and reallocation of excess surplus state and federal property. Accounting Services provides accounting services to all the offices of the Department. Central Mail provides services in Topeka for State of Kansas agencies that have committed to processing their outgoing mail through Central Mail. Parking Administration monitors and maintains over 2,893 parking stalls throughout the Capitol Complex area. Expenditures for the On Budget program are reflected on the opposite page,

while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

**Goals and Objectives.** The Office of General Services has developed the following goals:

Provide quality customer service to agencies, taxpayers, and other groups and individuals served and supported by the Office of General Services.

Provide a variety of printing, duplicating, and binder services to help state agencies operate efficiently.

Increase sales of the Fixed Price Vehicles Program.

**Statutory History.** The Office of General Services was established in FY 2012 after a Departmental reorganization. KSA 75-3728 requires the Department to formulate a system of central accounting. Other important statutes include KSA 75-1120 et seq. related to municipal accounting standards and procedures and KSA 75-5501 related to payroll accounting.



*Department of Administration*  
**Office of General Services**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	914,004	696,561	698,445	701,278	706,557
Contractual Services	370,233	405,161	405,161	405,161	405,161
Commodities	1,441,404	1,327,600	1,327,600	1,327,600	1,327,600
Capital Outlay	31,348	34,000	34,000	34,000	34,000
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$2,756,989</b>	<b>\$2,463,322</b>	<b>\$2,465,206</b>	<b>\$2,468,039</b>	<b>\$2,473,318</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	5,698	20,985	15,319	15,319	15,319
<b>Subtotal: Operating Expenditures</b>	<b>\$2,762,687</b>	<b>\$2,484,307</b>	<b>\$2,480,525</b>	<b>\$2,483,358</b>	<b>\$2,488,637</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$2,762,687</b>	<b>\$2,484,307</b>	<b>\$2,480,525</b>	<b>\$2,483,358</b>	<b>\$2,488,637</b>
Non-expense Items	12,778	14,957	14,957	14,957	14,957
<b>Total Expenditures by Object</b>	<b>\$2,775,465</b>	<b>\$2,499,264</b>	<b>\$2,495,482</b>	<b>\$2,498,315</b>	<b>\$2,503,594</b>
Expenditures by Fund					
State General Fund	533,933	119,738	111,369	114,470	114,821
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	2,241,532	2,379,526	2,384,113	2,383,845	2,388,773
<b>Total Expenditures by Fund</b>	<b>\$2,775,465</b>	<b>\$2,499,264</b>	<b>\$2,495,482</b>	<b>\$2,498,315</b>	<b>\$2,503,594</b>
FTE Positions	12.20	12.20	12.20	12.20	12.20
Non-FTE Unclassified Permanent	0.50	0.50	0.50	0.50	0.50
<b>Total Positions</b>	<b>12.70</b>	<b>12.70</b>	<b>12.70</b>	<b>12.70</b>	<b>12.70</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of municipalities enrolled in the Kansas Debt Recovery System	702	714	727	727
Sales of Fixed Price Vehicle Program	1,588,800	1,750,000	1,750,000	1,750,000
Number of fixed price vehicles sold	132	150	150	150

## **Budget Analysis**

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**Mission.** The purpose of the Budget Analysis Program is to provide for the effective and efficient management of state government. The Division of the Budget is committed to excellence, professional conduct, and service. These values are reflected in the management and analysis of the state budget and other resources provided to the Governor, the Legislature, state agencies, and the citizens of Kansas.

**Operations.** The Division has central management responsibility for the state budget process. It issues instructions and directives that determine how agencies propose and justify requests for expenditure authority. The requests are analyzed by Division staff, and its conclusions become the basis for the Governor's recommendations to the Legislature. The Division provides extensive staff support to the Governor on matters of budget strategy and related policy. The Division also explains the Governor's proposals to the Legislature and its staff. The Division is a key participant in the twice-yearly consensus revenue estimating process. The Consensus Revenue Estimating Group estimates revenues to the State General Fund for the current and forthcoming fiscal years. The estimates are used by both the Governor and the Legislature for all budgeting purposes. During the legislative session, the Division is responsible for tracking legislative changes to the Governor's budget recommendations. In addition, the Division prepares fiscal notes on all bills.

The Division also performs duties related to budget execution and financial management. Division staff monitors cashflow and takes appropriate steps to ensure State General Fund solvency throughout the year. The Division also distributes the census data used to apportion state aid to local governments. Finally, the Division provides administrative support for various policy initiatives under the leadership of the Governor.

**Goals and Objectives.** The primary goal of the Division is to perform comprehensive policy, management, and fiscal analysis using sophisticated research and analytical capabilities.

The second goal is to produce an accurate budget reflecting the Governor's priorities. Consistent with this goal, the Division will:

Manage a comprehensive budget review process, using appropriate tracking mechanisms and reconciling processes and take corrective measures as needed.

The third goal is to balance state receipts and expenditures. The main objective under this goal is to:

Maintain the solvency of the State General Fund.

The fourth goal is to provide accurate budget and policy information in a timely manner.

The fifth goal is to provide assistance to state agencies in budget development and execution, including strategic planning and performance measurement.

**Statutory History.** The budget system was created by the 1917 Legislature. Major revisions of the original statutes occurred in 1925, 1953, 1972, 1978, and 1980. Current provisions for Division activities are found in KSA 75-3714a et seq. KSA 11-201 requires the Division to certify population estimates for the state. KSA 75-6701 establishes ending balance requirements for the State General Fund, as adjusted by revenue estimates for budget reconciliation; appropriation acts; and the conditions for imposing percentage reductions on State General Fund accounts, except for the KPERS school payment, general state aid for K-12, and debt service.

## Budget Analysis

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,249,284	1,250,840	1,260,565	1,259,155	1,268,029
Contractual Services	132,517	357,715	148,358	148,358	148,358
Commodities	5,708	6,700	6,700	6,700	6,700
Capital Outlay	5,549	2,700	2,700	2,700	2,700
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,393,058</b>	<b>\$1,617,955</b>	<b>\$1,418,323</b>	<b>\$1,416,913</b>	<b>\$1,425,787</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$1,393,058</b>	<b>\$1,617,955</b>	<b>\$1,418,323</b>	<b>\$1,416,913</b>	<b>\$1,425,787</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,393,058</b>	<b>\$1,617,955</b>	<b>\$1,418,323</b>	<b>\$1,416,913</b>	<b>\$1,425,787</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,393,058</b>	<b>\$1,617,955</b>	<b>\$1,418,323</b>	<b>\$1,416,913</b>	<b>\$1,425,787</b>
Expenditures by Fund					
State General Fund	1,393,058	1,615,255	1,415,623	1,414,213	1,423,087
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	--	2,700	2,700	2,700	2,700
<b>Total Expenditures by Fund</b>	<b>\$1,393,058</b>	<b>\$1,617,955</b>	<b>\$1,418,323</b>	<b>\$1,416,913</b>	<b>\$1,425,787</b>
FTE Positions	17.00	13.00	13.00	13.00	13.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>17.00</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of deviation of actual fiscal year expenditures versus final approved State General Fund budgets	.45 %	.10 %	.10 %	.10 %
Percent of fiscal notes completed by the bills' hearing date	99.8 %	99.9 %	99.9 %	99.9 %
Percent of state agencies visited in the fiscal year	67.3 %	72.4 %	72.4 %	72.4 %

## **Office of Human Resources**

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**Operations.** The Office of Human Resources administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resource program for the state. The Office of Human Resources provides technical and expert assistance to state agencies on recruitment, selection, performance management, classification, compensation, and other human resources related issues. The Office is comprised of three units.

Staff Development and Training will coordinate with other Department of Administration staff to provide enhanced and expanded training and staff development opportunities. The Office of Human Resources will continue to explore opportunities to expand its outreach and achieve cost savings by utilizing technology in the pursuit of these goals.

The Office of Human Resources will continue to provide assistance with training and education for agency managers and supervisors pertaining to Memorandums of Agreement with employee organizations. Staff will continue to coordinate efforts with employee organizations and provide assistance to agency management as needed.

Policy and Developmental Implementation staff will continue to conduct annual salary surveys for one-third of the state workforce, and maintain responsibility for the state's classified pay plan. Staff will work with the State Employee Pay Plan Oversight Committee to assess the state of the pay plan and determine whether changes will be made or new initiatives will be implemented.

In addition, to focusing on the state workforce as a whole, the Office of Human Resources will continue to provide a full range of human resources programs and services designed to meet the needs of the offices and employees of the Department of Administration. These services include recruitment, selection, staffing, classification, employee relations, personnel and payroll processing, benefits counseling, new employee sign-up and orientation, retirement counseling and

research. Staff from the Office will continue to function as the human resources department for employees in the Governor's Office, the Lt. Governor's Office and several small agencies, boards, and commissions that do not have a dedicated human resources staff.

The Information Services unit will continue to increase and refine its online presence, particularly with respect to the [jobs.ks.gov](http://jobs.ks.gov) website. Efforts regarding the revision of on-line forms to incorporate policy and procedural changes and to conform to Legislative mandates and programs will continue as well.

Expenditures for the On Budget program are reflected on the opposite page, while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

**Goals and Objectives.** The goal of the Office of Human Resources is to strengthen and sustain a human resource system that is consistent, efficient, and adds value. The Office has identified the following objectives:

- Enhance workforce capacity and other assistance to agencies as they create and maintain climates that maximize workforce potential.

- Provide appropriate core human resource systems that support agencies in their effort to successfully accomplish their missions.

**Statutory History.** KSA 75-3701 et seq. established the Office of Human Resources to administer the Kansas Civil Service Act (KSA 75-2925 et seq.); KSA 75-37,115 establishes the Kansas Quality Program; KSA 75-37,105 establishes the Employee Award and Recognition Program and the Employee Suggestion Program; and KSA 75-4362 which authorizes the Drug Screening Program. The Office of Human Services was established in FY 2012 as part of a Departmental reorganization.

*Department of Administration*  
**Office of Human Resources**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,398,595	1,205,307	1,214,786	1,098,591	1,107,943
Contractual Services	254,230	260,884	260,884	260,884	260,884
Commodities	5,780	5,080	5,080	5,080	5,080
Capital Outlay	6,230	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,664,835</b>	<b>\$1,471,271</b>	<b>\$1,480,750</b>	<b>\$1,364,555</b>	<b>\$1,373,907</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	9,760	13,990	15,319	15,319	15,319
<b>Subtotal: Operating Expenditures</b>	<b>\$1,674,595</b>	<b>\$1,485,261</b>	<b>\$1,496,069</b>	<b>\$1,379,874</b>	<b>\$1,389,226</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,674,595</b>	<b>\$1,485,261</b>	<b>\$1,496,069</b>	<b>\$1,379,874</b>	<b>\$1,389,226</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,674,595</b>	<b>\$1,485,261</b>	<b>\$1,496,069</b>	<b>\$1,379,874</b>	<b>\$1,389,226</b>
Expenditures by Fund					
State General Fund	1,673,041	1,485,261	1,496,069	1,379,874	1,389,226
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	1,554	--	--	--	--
<b>Total Expenditures by Fund</b>	<b>\$1,674,595</b>	<b>\$1,485,261</b>	<b>\$1,496,069</b>	<b>\$1,379,874</b>	<b>\$1,389,226</b>
FTE Positions	18.90	17.05	17.05	17.05	17.05
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>18.90</b>	<b>17.05</b>	<b>17.05</b>	<b>17.05</b>	<b>17.05</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of statewide turnover of employees with less than three years of experience	28.0 %	28.0 %	27.0 %	27.0 %
Number of agency requests for data	400	400	400	400
Number of layoff plans reviewed and approved	11	20	17	17

## **Office of Business Process Improvement**

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**Operations.** The Office of Business Process Improvement functions include the procuring of goods and services at the best price for the agencies of Kansas; customer outreach; activities related to the Department's website, information processing and sharing; and performance management team coordination.

The Office provides recommendations and feedback to offices within the Department of Administration on services provided by the Department and recommend possible changes to services offered. This is done through a combination of meetings, forums, and surveys with Department of Administration customers.

Expenditures for the On Budget program are reflected on the opposite page, while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

**Goals and Objectives.** The Office of Business Process Improvement has developed the following goals:

Reduce the costs for goods and services acquired by Kansas agencies through management of contracts administered by the Office of Business Process Improvement by 10.0 percent in FY 2013 and FY 2014.

Reduce the number of contracts managed by the Office of Business Process Improvement through consolidation of contracts for similar commodities and services.

Increase efficiency of state bidding and contracting process for goods and services.

**Statutory History.** The 1953 Legislature, with the enactment of KSA 75-3737a through 75-3744, established the Division of Purchases in the Department of Administration. During the 1998 Legislative Session, KSA 75-3739 was amended to allow the Director of Purchases to delegate more purchasing authority to state agencies. The Office of Business Process Improvement was established in FY 2012 as part of a Departmental reorganization.

## Office of Business Process Improvement

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,094,008	1,346,180	1,356,868	1,355,384	1,365,741
Contractual Services	138,339	190,069	180,069	180,069	180,069
Commodities	6,885	5,300	5,300	5,300	5,300
Capital Outlay	9,893	8,000	8,000	8,000	8,000
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,249,125</b>	<b>\$1,549,549</b>	<b>\$1,550,237</b>	<b>\$1,548,753</b>	<b>\$1,559,110</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	7,139	10,233	11,205	11,205	11,205
<b>Subtotal: Operating Expenditures</b>	<b>\$1,256,264</b>	<b>\$1,559,782</b>	<b>\$1,561,442</b>	<b>\$1,559,958</b>	<b>\$1,570,315</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,256,264</b>	<b>\$1,559,782</b>	<b>\$1,561,442</b>	<b>\$1,559,958</b>	<b>\$1,570,315</b>
Non-expense Items	71,613	61,527	67,000	67,000	67,000
<b>Total Expenditures by Object</b>	<b>\$1,327,877</b>	<b>\$1,621,309</b>	<b>\$1,628,442</b>	<b>\$1,626,958</b>	<b>\$1,637,315</b>
Expenditures by Fund					
State General Fund	448,609	350,178	352,864	352,478	355,171
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	879,268	1,271,131	1,275,578	1,274,480	1,282,144
<b>Total Expenditures by Fund</b>	<b>\$1,327,877</b>	<b>\$1,621,309</b>	<b>\$1,628,442</b>	<b>\$1,626,958</b>	<b>\$1,637,315</b>
FTE Positions	17.00	19.00	19.00	19.00	19.00
Non-FTE Unclassified Permanent	--	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>17.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of contracts reduced through consolidation for commodities and services	9	3	3	3
Reduction in the costs for contract goods and services acquired by state agencies	8.7 %	5.0 %	5.0 %	5.0 %

## **Office of Facilities & Property Management**

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**Operations.** The Office of Facilities and Property Management centrally administers state-owned and leased facilities and protects the state's interest in all state facilities planning, design and construction activities. The Office of Facilities and Property Management provides: Maintenance; Building Services; Design and Compliance services; and Asset Management. The Office's On Budget expenditures are reflected on the opposite page, while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

Maintenance maintains the buildings by providing plumbing, heating and cooling, painting, landscaping, carpentry and electrical work, and other services to help maintain the buildings. This is done mostly through a preventive maintenance schedule that helps ensure all building systems are operating normally and are in good working condition.

Building Services provides housekeeping services for the state-owned buildings in Topeka. This includes the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Forbes, Dillon House, 1020 S. Kansas Avenue, and Cedar Crest.

Design and Compliance provides planning, design reviews and construction administration for all statewide capital improvement projects totaling approximately \$100 million annually. Asset Management administers and approves state leases for all state agencies.

**Goals and Objectives.** The goal of the Office of Facilities and Property Management is to ensure that employees of the State of Kansas enjoy a clean, safe,

efficient, and comfortable environment in state-owned buildings. The Office has developed the following objectives:

Reduce energy consumption in the Capitol Complex.

Increase the number of preventative maintenance activities completed.

Maximize return on statewide real estate expenditures (leasing, building occupancy costs, and real estate purchases).

Mitigate additional costs by assuring design consultants meets standards on 100.0 percent of all projects.

**Statutory History.** The Division of Facilities Management was created in 1989 by executive action of the Secretary of Administration to consolidate functions relating to state facilities and space requirements for state agencies. In 2002, a Secretary of Administration Reorganization Order transferred the Division of Architectural Services to the Division of Facilities Management. KSA 75-3702j authorizes the Secretary of Administration to transfer the duty or function of any organizational unit or employee in the Department of Administration to any other organizational unit or employee with the approval of the Governor. KSA 75-3651 and KSA 75-3765 authorize the Secretary of Administration to assign space and facilities in all state-owned or operated properties or buildings throughout the state with certain exceptions, notably the Statehouse. The Office of Facilities and Property Management was established in FY 2012 as part of a Departmental reorganization.



## Office of Facilities & Property Management

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	43,508	--	--	--	--
Contractual Services	621,930	667,514	1,017,514	1,017,514	1,040,014
Commodities	14,765	--	--	--	--
Capital Outlay	2,880	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$683,083</b>	<b>\$667,514</b>	<b>\$1,017,514</b>	<b>\$1,017,514</b>	<b>\$1,040,014</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	51,603	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$734,686</b>	<b>\$667,514</b>	<b>\$1,017,514</b>	<b>\$1,017,514</b>	<b>\$1,040,014</b>
Capital Improvements	2,958,808	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$3,693,494</b>	<b>\$667,514</b>	<b>\$1,017,514</b>	<b>\$1,017,514</b>	<b>\$1,040,014</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$3,693,494</b>	<b>\$667,514</b>	<b>\$1,017,514</b>	<b>\$1,017,514</b>	<b>\$1,040,014</b>
Expenditures by Fund					
State General Fund	1,802,427	47,514	47,514	47,514	47,514
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	210,000	280,000	450,000	450,000	472,500
Other Funds	1,681,067	340,000	520,000	520,000	520,000
<b>Total Expenditures by Fund</b>	<b>\$3,693,494</b>	<b>\$667,514</b>	<b>\$1,017,514</b>	<b>\$1,017,514</b>	<b>\$1,040,014</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of preventive maintenance activities completed	54.0 %	44.0 %	60.0 %	60.0 %
Number of cities in which state agencies have consolidated leased space to centralized service delivery	1	4	1	1

## **Office of Inspector General**

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**Operations.** The Office of Inspector General provides accounting and budgeting services to other state agencies through the Service Center; management of the Department of Administration budget; guidance to municipalities on accounting; and oversight of grants to the Public Broadcasting Council. The Office also coordinates special research projects.

Other responsibilities include preparing the State of Kansas' official Comprehensive Annual Financial Report (CAFR); performing annual audits over state agencies' expenditures, local funds, assets, accounts receivable, and other financial activity; and providing accounting and reporting services for the Kansas Public Water Supply Loan Fund and the Kansas Water Pollution Control Revolving Fund. The Office also chairs the Bond Disclosure Committee, which provides the financial data and information necessary for bond issuances and refunds, and continuing disclosure requirements. The Office's On Budget expenditures are reflected on the opposite page, while the Off Budget expenditures are included in the summary for all Off Budget expenditures.

**Goals and Objectives.** The Office of Inspector General has established the following goals:

Identify and implement solutions that support transparency to taxpayers and other interested groups.

Assure timely completion of the Comprehensive Annual Financial Report.

Assure compliance with procurement/fiscal standards and processes.

**Statutory History.** KSA 79-2926 directs the Department of Administration to develop and prescribe the budget forms to be used by all taxing subdivisions and municipalities of the state. KSA 79-2930 requires that all such budgets be filed electronically with the Office. The Office of Inspector General provides information to local governments on the budget law as provided in KSA 79-2925, KSA 10-1101, and KSA 75-1117. Under the provisions of KSA 75-1123, the Office prescribes and develops a municipal audit guide which is to be followed by licensed municipal accountants and certified public accountants that engage in municipal audits. In addition, as required by KSA 75-1124, all audits required under statute are to be filed with the Office. The Office of Inspector General was established in FY 2012 during a Departmental reorganization.

*Department of Administration*  
**Office of Inspector General**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	568,394	1,160,628	1,170,082	837,157	846,277
Contractual Services	59,569	363,012	375,160	375,160	375,160
Commodities	2,557	3,015	3,015	3,015	3,015
Capital Outlay	72	1,355	1,355	1,355	1,355
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$630,592</b>	<b>\$1,528,010</b>	<b>\$1,549,612</b>	<b>\$1,216,687</b>	<b>\$1,225,807</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	4,100	2,500	2,500	2,500	2,500
<b>Subtotal: Operating Expenditures</b>	<b>\$634,692</b>	<b>\$1,530,510</b>	<b>\$1,552,112</b>	<b>\$1,219,187</b>	<b>\$1,228,307</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$634,692</b>	<b>\$1,530,510</b>	<b>\$1,552,112</b>	<b>\$1,219,187</b>	<b>\$1,228,307</b>
Non-expense Items	--	7,578	7,000	7,000	7,000
<b>Total Expenditures by Object</b>	<b>\$634,692</b>	<b>\$1,538,088</b>	<b>\$1,559,112</b>	<b>\$1,226,187</b>	<b>\$1,235,307</b>
Expenditures by Fund					
State General Fund	432,410	1,360,309	1,380,607	1,047,850	1,055,787
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	202,282	177,779	178,505	178,337	179,520
<b>Total Expenditures by Fund</b>	<b>\$634,692</b>	<b>\$1,538,088</b>	<b>\$1,559,112</b>	<b>\$1,226,187</b>	<b>\$1,235,307</b>
FTE Positions	15.00	15.02	15.02	15.02	15.02
Non-FTE Unclassified Permanent	2.00	2.34	2.34	2.34	2.34
<b>Total Positions</b>	<b>17.00</b>	<b>17.36</b>	<b>17.36</b>	<b>17.36</b>	<b>17.36</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of transparency subject areas available on KanView	5	5	6	6

## **Debt Service & Capital Improvements**

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**Operations.** This program includes the debt service payments made on the following state properties: acquisition of the Landon State Office Building, construction of the state printing plant, renovation of Memorial Hall, lease/purchase of the grounds shop, lease/purchase of the facility at 400 SW Van Buren, restoration and renovation of the Statehouse, improvements to the Kansas Judicial Center, and purchase and renovation of the Eisenhower Center.

In addition, payment is included for debt service on the bonds issued to finance the Energy Conservation Improvements Program authorized by KSA 75-37,111 et seq. Prior to FY 1990, there had been no systematic effort in state government to undertake energy audits or make other energy improvements. The Kansas Development Finance Authority was authorized by the 1989 Legislature to issue up to \$5.0 million in tax exempt energy conservation revenue bonds to finance energy conservation projects. The bonds are repaid from utility savings realized from the energy improvements. When the debt is retired, the result is a savings to the state through reduced utility bills. Bonds for this program were issued in 1990, 1993, 1996, and 2001. Starting in FY 1999, the state established a line of credit approach, rather than issuing bonds, for the financing of energy projects. Although this program, now called the Facilities Conservation Improvement Program was transferred to the Kansas Corporation Commission in FY 2005, the old debt service is being administered by the Department of Administration.

This program also finances construction, remodeling, and rehabilitation and repair for properties under the care and control of the Secretary of Administration. Typical projects include maintenance repairs; upgrade of fire, safety, and security systems; modifications for accessibility; and remodeling or renovation of landmark facilities. Such properties include the Landon and Docking State Office Buildings, Statehouse, the Governor's residence, Judicial Center, Forbes Complex, Memorial Hall, State Complex West, the Dillon House, and the Eisenhower Center.

The 2000 Legislature originally authorized \$40.0 million in bonds to renovate the Capitol to be repaid from the State General Fund. The 2001 Legislature authorized \$15.0 million in bonds for the Statehouse parking facility. These bonds were issued in March 2002. The 2004 Legislature authorized \$19.8 million in bonds for Phase II of the Capitol renovation. These bonds were issued in July 2004. The 2005 Legislature authorized \$26.9 million in bonds for Phase III of the Capitol renovation. These bonds were issued in November 2005.

The Legislature authorized an additional \$16.2 million in bonds for the renovation during the 2006 Session and an additional \$55.0 million during the 2007 Session, because of increased project costs. The 2008 Legislature approved an additional \$38.8 million in bond authorization for the exterior masonry and repair work of the Statehouse. In total, \$211.7 million has been authorized by the Legislature for the Statehouse.

In addition, the 2004 Legislature authorized \$500.0 million in bonds for the Kansas Public Employees Retirement System. The 2005 Legislature authorized \$210.0 million in bonds to support the Comprehensive Transportation Program. The debt service on the KPERS and transportation bonds is budgeted in this program.

**Statutory History.** Statutory authority for acquisition of the Landon Building is found in KSA 75-3648 et seq. and for the printing plant in KSA 75-3675 et seq. Renovation of the Forbes and Memorial Hall Buildings was authorized by appropriation bill, and the Energy Conservation Improvement bonds are authorized by KSA 75-37,111 et seq. Capital improvement programs are authorized by individual legislative appropriations. The Statehouse improvements are financed under KSA 75-2262 and 75-2263. Authority for acquisition of the Eisenhower Center is from the State Finance Council Resolution No. 99-435, effective December 10, 1999. Custody of the State Complex West was transferred to the Secretary of Administration in FY 1997 by KSA 75-37,123.

## Debt Service & Capital Improvements

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	--	--	--	--	--
Contractual Services	--	--	--	--	--
Commodities	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service	48,266,137	47,738,072	46,681,118	47,440,423	45,980,760
<b>Subtotal: State Operations</b>	<b>\$48,266,137</b>	<b>\$47,738,072</b>	<b>\$46,681,118</b>	<b>\$47,440,423</b>	<b>\$45,980,760</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$48,266,137</b>	<b>\$47,738,072</b>	<b>\$46,681,118</b>	<b>\$47,440,423</b>	<b>\$45,980,760</b>
Capital Improvements	33,942,382	47,274,805	36,176,722	36,506,722	39,258,751
<b>Total Reportable Expenditures</b>	<b>\$82,208,519</b>	<b>\$95,012,877</b>	<b>\$82,857,840</b>	<b>\$83,947,145</b>	<b>\$85,239,511</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$82,208,519</b>	<b>\$95,012,877</b>	<b>\$82,857,840</b>	<b>\$83,947,145</b>	<b>\$85,239,511</b>
Expenditures by Fund					
State General Fund	82,208,519	37,330,613	41,087,700	46,295,161	45,749,511
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	--	57,682,264	41,770,140	37,651,984	39,490,000
<b>Total Expenditures by Fund</b>	<b>\$82,208,519</b>	<b>\$95,012,877</b>	<b>\$82,857,840</b>	<b>\$83,947,145</b>	<b>\$85,239,511</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

### Performance Measures

There are no performance measures for this program.

## **Office of Information Technology Services**

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**Operations.** The Office of Information Technology Services is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies. These services include data processing and voice-data telecommunications services.

The Office of Information Technology Services is funded entirely through billings to state agencies and local units of government for the information technology services it provides. To avoid the double-counting of expenditures, the Office is entirely Off Budget. The Office sets rates and maintains accounts according to federal regulations promulgated by the federal Office of Management and Budget.

The Office provides phone, computer, and data communication services on demand. The telecommunications network serves over 15,000 data communication users, 45,000 phone users, and a large number of users connected on the network through other mainframes and minicomputers. The Office maintains job resource accounting systems to accurately charge customers based on their use of the shared resources and also maintains a sophisticated accounting and financial reporting system to comply with federal regulations.

**Goals and Objectives.** The Office of Information Technology Services has established the following goals:

Provide an awareness and training program that provides agencies, divisions, bureaus, and local units of government the methodology resources and basic training to incorporate business and governmental continuity planning into their management and procedural functions.

Assure the most technically efficient staff is available to provide a high level of customer service to meet customer needs.

Utilize aggressive management to maximize availability, security, reliability and investment of the State of Kansas' computer hardware and software and to maximize efficiency and effectiveness of shared cloud computing resources.

**Statutory History.** The Office of Information Technology Services was formerly known as the Division of Information System and Communications. KSA 75-7205 establishes the position of Executive Chief Information Technology Officer, which oversees the Office.

## Office of Information Technology Services

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	11,720,746	9,503,516	9,560,133	9,570,013	9,643,041
Contractual Services	36,305,385	21,553,778	20,812,804	20,812,804	20,812,804
Commodities	427,761	1,467,715	1,373,715	1,373,715	1,373,715
Capital Outlay	5,043,004	3,118,587	4,615,400	4,615,400	4,615,400
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$53,496,896</b>	<b>\$35,643,596</b>	<b>\$36,362,052</b>	<b>\$36,371,932</b>	<b>\$36,444,960</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	81,451	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$53,578,347</b>	<b>\$35,643,596</b>	<b>\$36,362,052</b>	<b>\$36,371,932</b>	<b>\$36,444,960</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$53,578,347</b>	<b>\$35,643,596</b>	<b>\$36,362,052</b>	<b>\$36,371,932</b>	<b>\$36,444,960</b>
Non-expense Items	--	262,398	230,000	230,000	230,000
<b>Total Expenditures by Object</b>	<b>\$53,578,347</b>	<b>\$35,905,994</b>	<b>\$36,592,052</b>	<b>\$36,601,932</b>	<b>\$36,674,960</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	53,578,347	35,905,994	36,592,052	36,601,932	36,674,960
<b>Total Expenditures by Fund</b>	<b>\$53,578,347</b>	<b>\$35,905,994</b>	<b>\$36,592,052</b>	<b>\$36,601,932</b>	<b>\$36,674,960</b>
FTE Positions	112.70	82.65	82.65	82.65	82.65
Non-FTE Unclassified Permanent	49.00	37.00	37.00	37.00	37.00
<b>Total Positions</b>	<b>161.70</b>	<b>119.65</b>	<b>119.65</b>	<b>119.65</b>	<b>119.65</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of help desk calls resolved in 2 hours	75.0 %	75.0 %	80.0 %	80.0 %
Number of help desk calls per month	1,500	1,750	1,750	1,750

## **Off Budget Expenditures**

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**Operations.** The Department of Administration is the primary provider of central administrative services to state agencies. Services include central mail and telephone services, surplus property, accounts receivable setoff and other central accounting services, information systems, building operations and maintenance, maintenance of the properties of the State Complex West, and the Long-Term Care Ombudsman.

Services are financed by fees collected from user agencies. Agency payments are credited to intra-governmental service funds established to pay operating expenditures of the service provider. Estimated fees to the Department of Administration from other agencies are included in agency budgets in order to allocate operating costs appropriately. To avoid double reporting, the operating expenditures of the provider programs paid from these receipts are Off Budget and are not included in total expenditures for the state budget.

The Office of Information Technology Services (OITS) provides centralized computing and related services and provides coordination and control of telecommunications services for state agencies. These functions are discussed in OITS's program summary. The Off Budget contains revenues earned by the Office of Business Process Improvement's management of statewide contracts for state agencies. These are commissions collected by participating vendors and remitted to the Office.

Also included in the Off Budget are expenditures attributable to providing printing, duplicating, and binding services to state agencies. In addition to printing forms and documents required by agencies each day, the Office of Facilities and Property Management prints bills, resolutions, journals, and other legislative material.

The Office of Facilities and Property Management provides quality facility and parking services to state agencies. The functions of this division are discussed in its program summary. The Office of General Services provides accounting services to state agencies. A summary of Off Budget expenditures by program for the Department is included on the opposite page.

**Goals and Objectives.** The Department of Administration offers various services to state agencies and employees. Several goals of Off Budget programs include the following:

Provide timely, responsive, and cost effective central computer-related services for user agencies.

Provide high quality telecommunications services in a cost effective manner.

Provide a high quality cost effective working environment and parking facilities.

Provide high quality professional accounting services.

**Statutory History.** The Division of Information Systems and Communications was created by the 1984 Legislature by merging the Division of Information Systems and Computing with the Telecommunications Office. Statutory authority for responsibilities relating to the provision of computer and data processing services is contained in KSA 75-4701 et seq. The Division of Information Systems and Communications became the Office of Information Technology Services in FY 2012. Statutory authority for responsibilities relating to the provision of telecommunications services is contained in KSA 75-4709 through 75-4712. Statutory authority for the Division of Printing is found in KSA 75-1005 et seq. KSA 75-6201 et seq. established the Accounts Receivable Setoff Program.



*Department of Administration*  
**Off Budget Expenditures**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	25,618,901	20,680,616	20,812,432	20,821,902	20,976,378
Contractual Services	20,711,156	21,194,517	22,762,764	22,762,764	22,762,764
Commodities	2,535,134	3,056,193	3,056,147	3,056,147	3,056,147
Capital Outlay	478,547	470,622	635,702	635,702	635,702
Debt Service	2,012,671	1,874,180	1,584,285	1,584,285	1,501,260
<b>Subtotal: State Operations</b>	<b>\$51,356,409</b>	<b>\$47,276,128</b>	<b>\$48,851,330</b>	<b>\$48,860,800</b>	<b>\$48,932,251</b>
Aid to Local Governments	11,622,305	396,020	396,020	396,020	396,020
Other Assistance	46,987	54,921	45,199	45,199	45,199
<b>Subtotal: Operating Expenditures</b>	<b>\$63,025,701</b>	<b>\$47,727,069</b>	<b>\$49,292,549</b>	<b>\$49,302,019</b>	<b>\$49,373,470</b>
Capital Improvements	9,305,241	10,343,467	10,630,024	10,875,024	10,950,024
<b>Total Reportable Expenditures</b>	<b>\$72,330,942</b>	<b>\$58,070,536</b>	<b>\$59,922,573</b>	<b>\$60,177,043</b>	<b>\$60,323,494</b>
Non-expense Items	540,754	394,020	324,891	324,891	324,891
<b>Total Expenditures by Object</b>	<b>\$72,871,696</b>	<b>\$58,464,556</b>	<b>\$60,247,464</b>	<b>\$60,501,934</b>	<b>\$60,648,385</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	72,871,696	58,464,556	60,247,464	60,501,934	60,648,385
<b>Total Expenditures by Fund</b>	<b>\$72,871,696</b>	<b>\$58,464,556</b>	<b>\$60,247,464</b>	<b>\$60,501,934</b>	<b>\$60,648,385</b>
FTE Positions	355.75	341.93	341.93	291.93	291.93
Non-FTE Unclassified Permanent	26.50	28.16	28.16	28.16	28.16
<b>Total Positions</b>	<b>382.25</b>	<b>370.09</b>	<b>370.09</b>	<b>320.09</b>	<b>320.09</b>

**Performance Measures**

There are no performance measures for this program.

# Office of Administrative Hearings

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**Mission.** The Office of Administrative Hearings (OAH) conducts fair and impartial hearings for citizens and other affected parties when they contest the actions of state agencies determining their legal rights.

**Operations.** In providing adjudicative proceedings to agencies, boards, and commissions of the State of Kansas, the agency provides hearing officers and support staff who handle all aspects of the administrative hearing process, from the request for hearing through the issuance of the initial order.

OAH is responsible for setting dates for any prehearing conferences and hearings. The hearing officers are responsible for conducting evidentiary hearings and overseeing any discovery contemplated by the parties, including the issuance of subpoenas.

At any hearing held by an officer from OAH, it is the hearing officer's responsibility to rule on objections raised by the parties and the admissibility of evidence presented. The hearing officer determines the facts and assesses the credibility of witnesses.

At the conclusion of the hearing, it is the responsibility of the hearing officer to render a written decision, setting forth the Findings of Fact and the Conclusions of Law, which becomes the basis of the decision. The

record of the proceedings, including the Findings of Fact and the Conclusions of Law, are used on any appeal or Petition for Judicial Review.

**Goals and Objectives.** OAH has two goals in regards to the administrative appeals it provides, that they are timely and cost effective. To accomplish those goals, OAH will:

Ensure cases are adjudicated within statutory and regulatory timeframes.

Provide hearing officers to handle administrative hearings for agencies, boards and commissions in a cost effective way.

**Statutory History.** The Office of Administrative Hearings was originally established on July 1, 1998. Its purpose was to conduct all adjudicative proceedings for the former Kansas Department of Social and Rehabilitation Services pursuant to KSA 75-37,121. Chapter 145 of the 2004 Session Laws created an independent Office of Administrative Hearings (OAH) as a separate agency. This change took full effect on July 1, 2009. Agencies that provide adjudicative proceedings in accordance with the Kansas Administrative Procedures Act are required to utilize OAH when the agency head is not involved.

## Office of Administrative Hearings

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	676,609	706,937	680,348	734,529	739,843
Contractual Services	177,166	181,228	177,771	177,771	177,771
Commodities	6,012	6,650	6,026	6,026	6,026
Capital Outlay	4,137	8,375	7,300	7,300	7,300
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$863,924</b>	<b>\$903,190</b>	<b>\$871,445</b>	<b>\$925,626</b>	<b>\$930,940</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	4,880	6,516	6,516	6,516	6,516
<b>Subtotal: Operating Expenditures</b>	<b>\$868,804</b>	<b>\$909,706</b>	<b>\$877,961</b>	<b>\$932,142</b>	<b>\$937,456</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$868,804</b>	<b>\$909,706</b>	<b>\$877,961</b>	<b>\$932,142</b>	<b>\$937,456</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$868,804</b>	<b>\$909,706</b>	<b>\$877,961</b>	<b>\$932,142</b>	<b>\$937,456</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	868,804	909,706	877,961	932,142	937,456
<b>Total Expenditures by Fund</b>	<b>\$868,804</b>	<b>\$909,706</b>	<b>\$877,961</b>	<b>\$932,142</b>	<b>\$937,456</b>
FTE Positions	13.00	10.00	10.00	10.00	10.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>13.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of appeals filed	3,053	3,183	3,183	3,183
Number of agencies contracting with the agency for services	23	24	25	25
Percentage of telephone hearings	90.0 %	90.0 %	90.0 %	90.0 %

# Kansas Corporation Commission

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**Mission.** The mission of the Kansas Corporation Commission is to protect the public interest through impartial, efficient, and transparent resolution of all jurisdictional issues associated with the rates, services, and safety of public utilities, common carriers, and motor carriers. The agency participates in forums where articulated state policy objectives are discussed. The agency also regulates oil and gas production to protect correlative rights and environmental resources. Underground natural gas storage is regulated to ensure the safety of Kansans.

**Operations.** The Commission consists of three members appointed by the Governor to overlapping four-year terms. No more than two members may be of the same political party. The Commission regulates public utilities, motor carriers of passengers and property, and oil and natural gas production. The Commission is financed from assessments, registration fees, operating charges, recovery of hearing costs, and other sources.

The Kansas Corporation Commission has five main divisions. The Administrative Services Division provides various support services, including fiscal/accounting, information technology, consumer protection services, human resources, legal services, and compliance oversight. It also provides the Commission with legal representation in both state and

federal courts. The Utilities Division establishes and regulates rates for public utilities, including electricity, natural gas, liquid pipeline, and communication systems. Inspections of gas pipelines for compliance with safety regulations are conducted by this division.

The Transportation Division regulates motor carriers in Kansas. The division inspects all common and contract motor carriers that file for operating authority with the Commission. The Conservation Division regulates the exploration and production of oil and gas in the state. The division regulates the drilling and repressuring of wells and the plugging of abandoned wells to prevent the pollution of underground freshwater supplies. It also regulates the underground storage of natural gas, compressed air, and carbon dioxide sequestration. The Energy Division is responsible for administering energy grant programs, as well as promoting energy conservation and efficiency.

**Statutory History.** In 1933, the Kansas Corporation Commission was formed when the State Railways Commission, Public Utilities Commission, Court of Industrial Relations, and Public Service Commission were combined under the authority of KSA 66-101. State law regarding membership on the Commission, terms of office, and filling of vacancies is contained in KSA 74-601.

## Kansas Corporation Commission

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Program					
Administration Services	5,457,199	5,726,406	5,775,930	5,723,883	5,760,200
Utilities	3,630,425	4,078,822	3,993,682	3,915,725	3,937,625
Conservation	8,326,219	9,092,354	8,822,254	8,667,682	8,713,884
Transportation	1,133,830	1,671,196	1,732,798	1,587,257	1,594,982
Energy	30,683,262	2,127,122	1,265,234	1,264,697	1,268,675
<b>Total Expenditures</b>	<b>\$49,230,935</b>	<b>\$22,695,900</b>	<b>\$21,589,898</b>	<b>\$21,159,244</b>	<b>\$21,275,366</b>
Expenditures by Object					
Salaries and Wages	13,847,664	14,308,969	14,240,139	14,239,026	14,355,148
Contractual Services	5,410,989	6,188,986	5,769,207	5,339,666	5,339,666
Commodities	396,930	487,410	492,725	492,725	492,725
Capital Outlay	289,759	296,200	391,253	391,253	391,253
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$19,945,342</b>	<b>\$21,281,565</b>	<b>\$20,893,324</b>	<b>\$20,462,670</b>	<b>\$20,578,792</b>
Aid to Local Governments	5,065,242	1,090,241	441,895	441,895	441,895
Other Assistance	282,158	27,461	27,461	27,461	27,461
<b>Subtotal: Operating Expenditures</b>	<b>\$25,292,742</b>	<b>\$22,399,267</b>	<b>\$21,362,680</b>	<b>\$20,932,026</b>	<b>\$21,048,148</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$25,292,742</b>	<b>\$22,399,267</b>	<b>\$21,362,680</b>	<b>\$20,932,026</b>	<b>\$21,048,148</b>
Non-expense Items	23,938,193	296,633	227,218	227,218	227,218
<b>Total Expenditures by Object</b>	<b>\$49,230,935</b>	<b>\$22,695,900</b>	<b>\$21,589,898</b>	<b>\$21,159,244</b>	<b>\$21,275,366</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	49,230,935	22,695,900	21,589,898	21,159,244	21,275,366
<b>Total Expenditures by Fund</b>	<b>\$49,230,935</b>	<b>\$22,695,900</b>	<b>\$21,589,898</b>	<b>\$21,159,244</b>	<b>\$21,275,366</b>
FTE Positions	212.00	205.00	205.00	205.00	205.00
Non-FTE Unclassified Permanent	6.50	6.50	6.50	6.50	6.50
<b>Total Positions</b>	<b>218.50</b>	<b>211.50</b>	<b>211.50</b>	<b>211.50</b>	<b>211.50</b>

## **Administration Services**

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**Operations.** The Administration Services Division includes the three-member Commission as well as advisory staff, Information Technology Services, Legal Affairs, Public Affairs and Consumer Protection, Fiscal Management and Support Services, Docket Room, and Human Resource Services. The legal staff prepares hearing notices, orders, memorandum opinions, briefs, pleadings, contracts, and other legal documents.

Fiscal Management and Support Services is responsible for auditing, purchasing, payroll, billing, assessments, grant management, management of the budget, various financial reports, and facility management. Information Technology Services develops and maintains all computer applications for the Commission. Human Resources handles the Commission's employee recruitment and orientation, desk audits of job duties, position classification, and maintenance of the agency's position inventory. Public Affairs and Consumer Protection responds to consumer inquiries and complaints and provides oversight of legislative affairs.

**Goals and Objectives.** The primary goal of Administration Services is to provide responsive, cost effective, and efficient administrative, informational,

and legal services to the Commission. The division has outlined the following objectives as part of its strategy for goal achievement:

Monitor federal activity and participate in rulings having significant implications for Kansas ratepayers.

Strive to use existing resources in the most efficient and effective manner possible.

Enhance access to information and improve the efficiency of information processing.

Inform the public and agency personnel of pertinent Commission activity.

Respond to consumer inquiries and complaints in a timely and professional manner.

**Statutory History.** In 1933, the Kansas Corporation Commission was created when functions of the State Railways Commission, Public Utilities Commission, Court of Industrial Relations, and Public Service Commission were combined (KSA 66-101 et seq.). The Administration Services Division is operated under KSA 66-101.

*Kansas Corporation Commission*  
**Administration Services**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	4,226,589	4,499,019	4,524,639	4,522,592	4,558,909
Contractual Services	1,126,683	1,131,504	1,131,554	1,081,554	1,081,554
Commodities	43,368	44,370	45,610	45,610	45,610
Capital Outlay	48,540	34,285	56,899	56,899	56,899
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$5,445,180</b>	<b>\$5,709,178</b>	<b>\$5,758,702</b>	<b>\$5,706,655</b>	<b>\$5,742,972</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	12,019	17,228	17,228	17,228	17,228
<b>Subtotal: Operating Expenditures</b>	<b>\$5,457,199</b>	<b>\$5,726,406</b>	<b>\$5,775,930</b>	<b>\$5,723,883</b>	<b>\$5,760,200</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$5,457,199</b>	<b>\$5,726,406</b>	<b>\$5,775,930</b>	<b>\$5,723,883</b>	<b>\$5,760,200</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$5,457,199</b>	<b>\$5,726,406</b>	<b>\$5,775,930</b>	<b>\$5,723,883</b>	<b>\$5,760,200</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	5,457,199	5,726,406	5,775,930	5,723,883	5,760,200
<b>Total Expenditures by Fund</b>	<b>\$5,457,199</b>	<b>\$5,726,406</b>	<b>\$5,775,930</b>	<b>\$5,723,883</b>	<b>\$5,760,200</b>
FTE Positions	64.00	64.00	64.00	64.00	64.00
Non-FTE Unclassified Permanent	0.50	0.50	0.50	0.50	0.50
<b>Total Positions</b>	<b>64.50</b>	<b>64.50</b>	<b>64.50</b>	<b>64.50</b>	<b>64.50</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of new compliance dockets opened	8	10	10	10
Number of rate change applications filed and reviewed	10	8	8	8
Number of documents on-line	93,875	100,000	115,000	115,000

## **Utilities**

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**Operations.** The Utilities Division is responsible for administering the laws and regulations applicable to utilities. The Corporation Commission oversees electric, natural gas, telephone, and water utilities, as well as liquid pipelines. Its primary responsibilities are to ensure that rate charges are just, reasonable, and nondiscriminatory and that the services provided by utilities are efficient and sufficient.

The Utilities Division has five operating sections: Accounting and Finance, Economic Policy and Planning, Energy Operations, Telecommunications, and Natural Gas Operations and Pipeline Safety. The primary responsibility of the division is to make recommendations concerning the fairness of utility rates and tariffs as well as the sufficiency and efficiency of utility services and operations.

The Accounting and Financial Analysis Section assists the Commission in determining the proper revenue requirements for individual utilities in accordance with appropriate ratemaking principles. The section also has primary responsibility for determining levels of support from the Kansas Universal Service Fund. The Economic Policy and Planning Section is responsible for economic forecasting and analysis of long-term regulatory economic issues regarding mechanisms, plans, and programs by which utilities can provide services more efficiently.

The duties of the Energy Operations Section include design of rates for gas, electric, and water companies by which costs are allocated among the various classes and specific services; daily administration of the Electric Cost Adjustment and Purchased Gas Adjustment regulations; and review of utility tariffs and services for reasonableness and efficiency. Additionally, the Natural Gas Operations and Pipeline Safety Section oversees the administration and enforcement of the “One Call” Program and enforces the federal Pipeline Safety Act with regard to utilities, municipalities, and master meter operations. The section also provides oversight of liquid pipeline tariffs and services.

The Telecommunications Section addresses all telecommunications issues except for accounting and

financial matters. The section reviews applications for certification, rate changes, and services and is responsible for competition and universal service issues under state and federal law.

**Goals and Objectives.** A primary goal is to provide recommendations and advice to the Commission to promote sufficient, efficient, and safe utility services at reasonable and non-discriminatory rates. The division pursues the following objectives:

Review, evaluate, and investigate the costs, operating practices, and investments of utilities to determine the proper costs that should be recovered through customer rates.

Inspect, monitor, and review utility operations to ensure services are being provided safely in accordance with Commission regulations.

Review, evaluate, and investigate the current operations and future plans of utilities to ensure that sufficient service will be provided to consumers in an efficient manner.

Recommend and implement alternative regulatory mechanisms and procedures which allow effective competition to serve the public interest and balance competitive opportunity with equitable access to services.

**Statutory History.** The Utilities Division was created in 1933 (KSA 66-101 et seq.). Since that time, numerous statutory changes have broadened the powers of the Commission and increased division responsibility. Significant legislative changes include jurisdiction over natural gas pipeline safety (KSA 66-101) and jurisdiction over nuclear electric generating facilities siting (KSA 66-177). Authority granted under KSA 66-185 allows the Commission to carry out the federal Natural Gas Policy Act of 1978 and the provisions of the Public Utility Regulatory Policy Act of 1978 as well as rules and regulations adopted by federal agencies in accordance with these acts. Legislation enacted in 1984 broadened the authority of the Commission relative to regulation of costs for excess utility capacity (KSA 66-1283 et seq.).



*Kansas Corporation Commission*  
**Utilities**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	2,732,078	2,750,761	2,659,420	2,656,463	2,678,363
Contractual Services	646,623	1,143,850	1,135,750	1,060,750	1,060,750
Commodities	45,653	49,810	50,315	50,315	50,315
Capital Outlay	47,891	18,327	32,123	32,123	32,123
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$3,472,245</b>	<b>\$3,962,748</b>	<b>\$3,877,608</b>	<b>\$3,799,651</b>	<b>\$3,821,551</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	7,139	10,233	10,233	10,233	10,233
<b>Subtotal: Operating Expenditures</b>	<b>\$3,479,384</b>	<b>\$3,972,981</b>	<b>\$3,887,841</b>	<b>\$3,809,884</b>	<b>\$3,831,784</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$3,479,384</b>	<b>\$3,972,981</b>	<b>\$3,887,841</b>	<b>\$3,809,884</b>	<b>\$3,831,784</b>
Non-expense Items	151,041	105,841	105,841	105,841	105,841
<b>Total Expenditures by Object</b>	<b>\$3,630,425</b>	<b>\$4,078,822</b>	<b>\$3,993,682</b>	<b>\$3,915,725</b>	<b>\$3,937,625</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	3,630,425	4,078,822	3,993,682	3,915,725	3,937,625
<b>Total Expenditures by Fund</b>	<b>\$3,630,425</b>	<b>\$4,078,822</b>	<b>\$3,993,682</b>	<b>\$3,915,725</b>	<b>\$3,937,625</b>
FTE Positions	41.00	36.00	36.00	36.00	36.00
Non-FTE Unclassified Permanent	1.00	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>42.00</b>	<b>37.00</b>	<b>37.00</b>	<b>37.00</b>	<b>37.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Kansas natural gas rates compared to national averages	100.0 %	91.0 %	91.0 %	91.0 %
Kansas electric rates compared to national averages	92.0 %	90.0 %	88.0 %	88.0 %
Number of Natural Gas Pipeline Safety Act non-compliances detected and corrected	57	145	200	200

## **Conservation**

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**Operations.** The Conservation Division enforces statutes and regulations concerning the conservation of crude oil and natural gas; plugging of wells; disposal of underground salt water produced in connection with oil and gas recovery; repressuring and water flooding of oil and gas reservoirs; protection of correlative rights; and protection of fresh and usable water. This division includes regulation of oil and natural gas production and underground porosity gas storage fields; plugging of abandoned oil and natural gas wells; administration of the Class II Underground Injection Control Program; protection of the environment through licensing of oil and gas operators and contractors; administration of the federally-mandated oilfield waste and management programs; enforcement of surface pond, drilling pit, and emergency pit regulations; regulation of cathodic protection wells, temporary abandonment, and well plugging; as well as maintenance of the library and informational services related to oil and gas well records. This division also promulgates rules and regulations for the safe and secure injection of carbon dioxide and the maintenance of underground storage of carbon dioxide.

All oil and gas exploration and production activities in Kansas are regulated by this division. The regulatory process includes the filing of intent to drill permits, periodic testing of well productivity and well integrity, and determination of well spacing and allowable rates of production. Regulatory activities related to the protection of fresh and usable groundwater supplies (for Class II injection wells) also are administered solely by the KCC. In addition, regulatory activities include oilfield pollution site monitoring and remediation, as well as permitting and monitoring of underground porosity storage of natural gas. This division also serves as a collection and storage point for oilfield drilling and production data.

**Goals and Objectives.** As its primary goal, the Conservation Division will provide a fair regulatory process through which the oil and gas resources of the state can be responsibly discovered and produced while protecting correlative rights; preventing the waste of hydrocarbon resources; and protecting human, environmental, and water resources. The following objectives will be pursued:

Assist, inform, and educate the general public and regulated community regarding the need to protect the natural resources of the state.

Ensure that all underground usable water resources are protected while preventing waste of the oil and gas resources of the state.

Inventory and plug abandoned oil and natural gas wells according to priority.

Perform technical evaluations on applications related to injection, production, and storage wells to assure protection of usable water and prevention of waste of hydrocarbon resources.

Protect aggressively the state's water resources from pollution resulting from present oil and gas activities and to improve and restore water quality effectively to pre-polluted levels where past activities have caused pollution.

**Statutory History.** The enabling legislation of the Commission's Conservation Division and statutes pertaining to the regulation of gas gathering systems are found in KSA 55-101 et seq. In FY 1997, the state began a program to plug abandoned oil and gas wells and in FY 2001 added laws relating to storage of natural gas in underground porosity storage fields.

## Conservation

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	5,302,344	5,574,939	5,628,864	5,634,292	5,680,494
Contractual Services	2,599,068	3,009,435	2,690,108	2,530,108	2,530,108
Commodities	262,872	288,780	291,725	291,725	291,725
Capital Outlay	161,935	219,200	211,557	211,557	211,557
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$8,326,219</b>	<b>\$9,092,354</b>	<b>\$8,822,254</b>	<b>\$8,667,682</b>	<b>\$8,713,884</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$8,326,219</b>	<b>\$9,092,354</b>	<b>\$8,822,254</b>	<b>\$8,667,682</b>	<b>\$8,713,884</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$8,326,219</b>	<b>\$9,092,354</b>	<b>\$8,822,254</b>	<b>\$8,667,682</b>	<b>\$8,713,884</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$8,326,219</b>	<b>\$9,092,354</b>	<b>\$8,822,254</b>	<b>\$8,667,682</b>	<b>\$8,713,884</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	8,326,219	9,092,354	8,822,254	8,667,682	8,713,884
<b>Total Expenditures by Fund</b>	<b>\$8,326,219</b>	<b>\$9,092,354</b>	<b>\$8,822,254</b>	<b>\$8,667,682</b>	<b>\$8,713,884</b>
FTE Positions	85.00	86.00	86.00	86.00	86.00
Non-FTE Unclassified Permanent	4.00	4.00	4.00	4.00	4.00
<b>Total Positions</b>	<b>89.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of all inventoried priority 1A wells plugged	99.9 %	100.0 %	100.0 %	100.0 %
Number of abandoned wells plugged	360	400	310	310
Number of identified pollution sites resolved	--	3	3	3
Number of oil and gas facility inspections performed	3,910	5,500	5,500	5,500
Number of environmental permit applications processed	10,500	10,750	11,000	11,000

## **Transportation**

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**Operations.** The Transportation Division regulates motor carriers of persons and property (both for-hire and private). The division works to assure that services offered and rates charged by these regulated transportation industries in Kansas are fair and reasonable to carriers, shippers, and the consuming public. Additionally, the division ensures the safety compliance of motor carriers within the applicable state and federal regulations. The division has three operating sections: Rates, Safety, and Services; Motor Carrier; and Administrative.

The Motor Carrier Section is responsible for all phases of motor carrier regulation, including granting operating authority, registering equipment, issuing Commission citations and orders, approving insurance filings, and updating records. The section maintains the computerized transportation information system used to generate correspondence, issue citations and cancellation orders, and print KCC identification cab cards. The information from this system also is used by the Kansas Highway Patrol and the Federal Motor Carrier Safety Administration for enforcement.

The Rates, Safety, and Services Section regulates motor carriers. This section performs comprehensive investigations and compliance reviews on motor carriers and takes appropriate action when unsafe conditions are found. KCC investigators conduct a safety-training program for all public and private motor carriers in Kansas that covers the following topics: driver qualification files, vehicle maintenance

files, vehicle inspection files, record-of-duty status files, drug testing and alcohol testing files, medical examiner certificates, and related subjects. This section also investigates consumer complaints and inquiries regarding rate questions for household goods and passenger motor carriers. It also develops, revises, and oversees rules and regulations on rates and collective rate making for motor carriers.

**Goals and Objectives.** As its primary goal, the Transportation Division will ensure balanced and effective regulation and oversight of common carrier resources and protect the public interest and safety through comprehensive planning, licensing, and inspection. In pursuit of this goal the division has outlined the following objectives:

Continue the development, modification, and implementation of auditing, inspection, and other administrative procedures designed to achieve effective and efficient operations and ease the burden of regulation on motor carriers while ensuring protection of the public interest and safety.

Provide a strong infrastructure by focusing on a sound safety/training and enforcement program.

**Statutory History.** The KCC has regulatory jurisdiction over transportation systems operating in Kansas as defined by KSA 66-1108 et seq.

## Transportation

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	951,869	930,051	937,699	936,699	944,424
Contractual Services	124,003	690,155	686,605	542,064	542,064
Commodities	27,391	28,250	28,800	28,800	28,800
Capital Outlay	30,567	22,740	79,694	79,694	79,694
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,133,830</b>	<b>\$1,671,196</b>	<b>\$1,732,798</b>	<b>\$1,587,257</b>	<b>\$1,594,982</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$1,133,830</b>	<b>\$1,671,196</b>	<b>\$1,732,798</b>	<b>\$1,587,257</b>	<b>\$1,594,982</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,133,830</b>	<b>\$1,671,196</b>	<b>\$1,732,798</b>	<b>\$1,587,257</b>	<b>\$1,594,982</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,133,830</b>	<b>\$1,671,196</b>	<b>\$1,732,798</b>	<b>\$1,587,257</b>	<b>\$1,594,982</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	1,133,830	1,671,196	1,732,798	1,587,257	1,594,982
<b>Total Expenditures by Fund</b>	<b>\$1,133,830</b>	<b>\$1,671,196</b>	<b>\$1,732,798</b>	<b>\$1,587,257</b>	<b>\$1,594,982</b>
FTE Positions	20.00	17.00	17.00	17.00	17.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>20.00</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of educational seminars, classes, or programs conducted	158	160	160	160
Number of motor carriers registered for Kansas	14,635	15,000	15,000	15,000
Percent of motor carrier audits identifying safety violations	50.0 %	50.0 %	50.0 %	50.0 %
Number of complaints from outside parties	28	35	35	35

## **Energy**

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**Operations.** The Energy Division promotes energy conservation, efficiency, and renewable energy sources. The Division also assists the Governor and Legislature in effective energy policy planning by providing financial and technical assistance.

This division operates the nationally recognized Facility Conservation Improvement Program, which conducts energy audits for public organizations. The Facility Conservation Improvement Program allows participating organizations the opportunity to make energy efficiency improvements recommended by the audit and to finance these improvements through the resulting energy savings.

The Energy Division provides support to the public through information dissemination and educational activities on a variety of energy topics. The Energy Division keeps the public apprised of the latest information on the ever-changing technology and market developments in renewable energy, energy efficiency, and alternative fuels. Other activities for this division include grant administration, and energy resource data development.

**Goals and Objectives.** The goal of the Energy Division is to provide comprehensive planning and to coordinate energy-related activities in the state. This division will follow these objectives to attain this goal:

Assist in the development and dissemination of comprehensive energy education and conservation information to the public and private sectors within the state.

Provide technical and financial support for implementing progressive energy policy development and planning in the state.

Provide administrative services for energy conservation and efficiency programs for the public and private sectors in the state.

**Statutory History.** Under the general provisions of KSA 66-111, the Kansas Corporation Commission has full power, authority, and jurisdiction to supervise and control public utilities. In 1983, the duties and responsibilities of the Kansas Energy Office, originally a separate state agency, were transferred to the KCC.

**Energy**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	634,784	554,199	489,517	488,980	492,958
Contractual Services	914,612	214,042	125,190	125,190	125,190
Commodities	17,646	76,200	76,275	76,275	76,275
Capital Outlay	826	1,648	10,980	10,980	10,980
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,567,868</b>	<b>\$846,089</b>	<b>\$701,962</b>	<b>\$701,425</b>	<b>\$705,403</b>
Aid to Local Governments	5,065,242	1,090,241	441,895	441,895	441,895
Other Assistance	263,000	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$6,896,110</b>	<b>\$1,936,330</b>	<b>\$1,143,857</b>	<b>\$1,143,320</b>	<b>\$1,147,298</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$6,896,110</b>	<b>\$1,936,330</b>	<b>\$1,143,857</b>	<b>\$1,143,320</b>	<b>\$1,147,298</b>
Non-expense Items	23,787,152	190,792	121,377	121,377	121,377
<b>Total Expenditures by Object</b>	<b>\$30,683,262</b>	<b>\$2,127,122</b>	<b>\$1,265,234</b>	<b>\$1,264,697</b>	<b>\$1,268,675</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	30,683,262	2,127,122	1,265,234	1,264,697	1,268,675
<b>Total Expenditures by Fund</b>	<b>\$30,683,262</b>	<b>\$2,127,122</b>	<b>\$1,265,234</b>	<b>\$1,264,697</b>	<b>\$1,268,675</b>
FTE Positions	2.00	2.00	2.00	2.00	2.00
Non-FTE Unclassified Permanent	1.00	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Energy savings estimates of Facilities Conservation Improvement Program	\$383,714	\$445,000	\$535,000	\$535,000
Rural opportunity zone energy generated/saved (in kilowatt hours)	--	\$3,700	\$4,000	\$4,000

# Citizens Utility Ratepayer Board

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**Mission.** The mission of the Citizens Utility Ratepayer Board (CURB) is to protect the interests of residential and small commercial utility ratepayers. CURB strives to ensure that any rates, orders, or rules issued by the Kansas Corporation Commission (KCC) are reasonable and fair to residential and small commercial ratepayers.

**Operations.** Board members guide the activities of the Consumer Counsel in representing the interests of residential and small commercial ratepayers in utility matters before the KCC and in appeals from KCC rulings. The Board has five members representing Kansas' four congressional districts and one at-large member. Board members are appointed for staggered four-year terms by the Governor, and the Consumer Counsel is a full-time attorney hired by the Board.

The Office of the Consumer Counsel is involved in electric, gas, and telephone-related matters acting either as an official intervener in cases filed with the KCC, including rate requests, or as an initiator of action before the KCC. The Office of the Consumer Counsel also may appeal any action made by the KCC if it is believed the action is not in the best interest of

residential and small commercial ratepayers. In addition to its legal activities, CURB strives to educate the public about utility issues and seeks to maximize the public's input and participation in the rate-making process. CURB is financed through assessments to regulated utility companies.

**Goals and Objectives.** The agency pursues the following goals:

Provide effective legal representation on behalf of residential and small commercial ratepayers before Kansas courts and the KCC.

Intervene in utility cases that will have a direct effect on the utility bills of residential and small commercial ratepayers.

Establish and promote the participation of residential and small commercial ratepayers of Kansas in the rate setting process, especially during public hearings.

**Statutory History.** The 1989 Legislature established CURB. Its duties and responsibilities are defined in KSA 66-1222 et seq.



## Citizens Utility Ratepayer Board

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	487,633	503,143	506,960	506,405	510,111
Contractual Services	357,503	330,160	326,479	326,479	331,401
Commodities	2,821	4,645	5,178	5,178	5,178
Capital Outlay	193	5,970	6,978	6,978	6,978
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$848,150</b>	<b>\$843,918</b>	<b>\$845,595</b>	<b>\$845,040</b>	<b>\$853,668</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$848,150</b>	<b>\$843,918</b>	<b>\$845,595</b>	<b>\$845,040</b>	<b>\$853,668</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$848,150</b>	<b>\$843,918</b>	<b>\$845,595</b>	<b>\$845,040</b>	<b>\$853,668</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$848,150</b>	<b>\$843,918</b>	<b>\$845,595</b>	<b>\$845,040</b>	<b>\$853,668</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	848,150	843,918	845,595	845,040	853,668
<b>Total Expenditures by Fund</b>	<b>\$848,150</b>	<b>\$843,918</b>	<b>\$845,595</b>	<b>\$845,040</b>	<b>\$853,668</b>
FTE Positions	6.00	6.00	6.00	6.00	6.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of rate cases in which CURB intervened	35	34	34	34
Number of open dockets	49	42	44	44

# Kansas Human Rights Commission

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**Mission.** The mission of the Human Rights Commission is to eliminate and prevent discrimination and assure equal opportunities in the State of Kansas in all employment relations and all places of public accommodation and housing. The Commission is also charged with investigating complaints alleging racial and other profiling in conjunction with traffic stops.

**Operations.** The Kansas Human Rights Commission consists of seven members: two representing labor, two representing industry, one representing the real estate industry, a practicing attorney, and one member appointed at large. The commissioners are appointed by the Governor for overlapping four-year terms. The Commission maintains offices in Topeka and Wichita and satellite offices in Dodge City and Independence. The Commission employs professional staff and full or part-time legal, stenographic, and clerical assistants as necessary to carry out the law.

The Commission investigates complaints alleging unlawful discriminatory practices, as well as conducts hearings and pursues litigation relating to enforcement of the Kansas Act against Discrimination and the Kansas Age Discrimination in Employment Act. The agency conducts educational programs to promote citizen awareness of civil rights problems and methods for resolving and preventing discrimination.

**Goals and Objectives.** The primary goal of the agency is to eliminate and prevent discrimination in employment, housing, and public accommodations through public education, enforcement, and investigation and resolution of complaints. The

agency pursues the following objectives in association with its goals:

Provide the opportunity for early resolution through a mediation process of every complaint filed.

Conduct a thorough investigation and render a prompt determination for housing complaints, public accommodation, and employment that are not resolved through mediation.

Conduct a prompt and thorough review and investigation, if necessary, for all racial and other profiling complaints not resolved through mediation.

Conduct a timely and effective conciliation effort on all employment, housing, and public accommodation probable cause cases and to refer cases in which conciliation efforts have not succeeded to the Office of Administrative Hearings.

Emphasize the Commission's educational services to increase public awareness of the state's anti-discrimination laws and to reduce or eliminate all types of discrimination.

**Statutory History.** The provisions of the Kansas Act against Discrimination that are applicable to the Commission are included in KSA 44-1001 to 44-1044. The relevant provisions of the Kansas Age Discrimination in Employment Act are included in KSA 44-1111 to 44-1121.

## Kansas Human Rights Commission

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,193,019	1,229,556	1,290,454	1,191,354	1,202,175
Contractual Services	423,780	431,806	414,539	449,539	449,539
Commodities	16,572	16,819	17,272	17,272	17,272
Capital Outlay	14,812	15,614	6,615	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,648,183</b>	<b>\$1,693,795</b>	<b>\$1,728,880</b>	<b>\$1,658,165</b>	<b>\$1,668,986</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	7,139	10,233	10,233	10,233	10,233
<b>Subtotal: Operating Expenditures</b>	<b>\$1,655,322</b>	<b>\$1,704,028</b>	<b>\$1,739,113</b>	<b>\$1,668,398</b>	<b>\$1,679,219</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,655,322</b>	<b>\$1,704,028</b>	<b>\$1,739,113</b>	<b>\$1,668,398</b>	<b>\$1,679,219</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,655,322</b>	<b>\$1,704,028</b>	<b>\$1,739,113</b>	<b>\$1,668,398</b>	<b>\$1,679,219</b>
Expenditures by Fund					
State General Fund	1,236,246	1,214,050	1,196,138	1,095,371	1,101,577
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	419,076	489,978	542,975	573,027	577,642
<b>Total Expenditures by Fund</b>	<b>\$1,655,322</b>	<b>\$1,704,028</b>	<b>\$1,739,113</b>	<b>\$1,668,398</b>	<b>\$1,679,219</b>
FTE Positions	25.00	23.00	23.00	23.00	23.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>25.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of open cases	804	729	654	654
Number of complaints filed	938	900	905	905
Number of complaints closed	1,150	975	980	980
Processing time (in months)	12.1	11.0	9.8	9.8

# Board of Indigents Defense Services

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**Mission.** The mission of the State Board of Indigents Defense Services is to provide, in the most efficient manner, counsel and related services for each indigent person accused of a felony and other indigent persons as prescribed by law.

**Operations.** The agency was created for the purpose of providing indigent felony defense services as required by the Sixth Amendment to the *United States Constitution*. The program provides for state public defender offices and the financing of court-appointed counsel and other defense services for indigent persons charged with felony crimes.

The program is supervised by a nine-member board appointed by the Governor subject to Senate confirmation. The Board consists of five members who are attorneys and four members who are non-attorneys. The Board pays for appointed counsel, makes arrangements for contract counsel, operates public defender offices, and conducts attorney training.

Trial level public defender offices are located in the following cities and serve the following judicial districts: Topeka—3rd district and 2nd and 4th upon request; Junction City—8th district and 21st districts; Olathe—10th district and 6th upon request; Independence—14th district; Wichita—18th district and 19th and 30th upon request; Garden City—25th district; Hutchinson—27th district and 20th, 24th, and 30th upon request; Salina—28th district and 9th and 12th upon request; Chanute—13th and 31st districts. In addition, the Northeast Kansas Conflict Office provides public defenders for conflict-of-interest cases in Shawnee County and high level cases in the surrounding area, including the 5th and 7th districts. The Wichita Conflict Office provides public defenders for conflict-of-interest cases in Sedgwick County.

The Board established the statewide Death Penalty Defense Unit to provide defense services in capital murder cases. The Appellate Defender's Office represents indigent felony defendants on appeal statewide. The Capital Appeals Office and Capital Appeals and Conflicts Office were established to provide appellate representation to persons convicted

in cases charged as capital murder and to provide appellate defense on conflict cases from the Appellate Defender's Office. Additionally, programs have been established that allow students to write direct appeal briefs under the supervision of a state appellate defender at Washburn University and the University of Kansas law schools.

The Board of Indigents Defense Services supports Legal Services for Prisoners, Inc., which provides legal assistance to indigent inmates in Kansas correctional institutions. Students in clinical programs at Washburn University and the University of Kansas law schools provide assistance in this area.

**Goals and Objectives.** One goal of the Board is to monitor cost-effectiveness and quality of the indigent defense system. The Board will pursue this goal through the following objectives:

- Offer public defender services on off-grid felonies and high level felonies in judicial districts that do not have a public defender office.

- Contract with qualified private attorneys for conflict cases.

- Negotiate the hourly rate of assigned counsel payment in areas that would otherwise not have a cost effective assigned counsel system.

- Continue to adopt and amend regulations to improve the cost-effectiveness of the indigents defense system.

- Provide training opportunities for all who perform indigents defense work.

- Maintain a management information system for evaluating caseloads, costs, and qualitative aspects of the indigents defense system on a county, district, and regional basis.

**Statutory History.** The State Board of Indigents Defense Services was created by the 1982 Legislature (KSA 22-4519).

## Board of Indigents Defense Services

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Program					
Administration	755,054	891,482	808,566	864,124	869,653
Assigned Counsel Expenditures	8,941,073	9,070,408	9,470,408	9,170,408	9,170,408
Legal Services for Prisoners	289,592	289,592	289,592	289,592	289,592
Appellate Defender Operations	2,243,695	2,557,665	2,114,602	2,112,979	2,124,870
Trial Level Public Defender Oper.	9,116,078	9,713,587	9,732,582	9,723,352	9,791,215
Capital Defense Expenditures	1,398,402	1,665,985	1,615,060	1,613,690	1,623,743
<b>Total Expenditures</b>	<b>\$22,743,894</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
Expenditures by Object					
Salaries and Wages	10,962,331	11,796,549	11,831,542	11,874,877	11,970,213
Contractual Services	11,635,871	12,321,526	12,142,118	11,842,118	11,842,118
Commodities	76,760	59,246	56,452	56,452	56,452
Capital Outlay	68,732	11,398	698	698	698
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$22,743,694</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$22,743,694</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$22,743,694</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
Non-expense Items	200	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$22,743,894</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
Expenditures by Fund					
State General Fund	21,769,465	23,392,072	23,280,175	23,023,510	23,118,846
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	974,429	796,647	750,635	750,635	750,635
<b>Total Expenditures by Fund</b>	<b>\$22,743,894</b>	<b>\$24,188,719</b>	<b>\$24,030,810</b>	<b>\$23,774,145</b>	<b>\$23,869,481</b>
FTE Positions	187.00	187.50	187.50	187.50	187.50
Non-FTE Unclassified Permanent	--	0.50	0.50	0.50	0.50
<b>Total Positions</b>	<b>187.00</b>	<b>188.00</b>	<b>188.00</b>	<b>188.00</b>	<b>188.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of Continuing Legal Education programs offered to panel attorneys	2	3	2	2
Total assigned counsel cases	11,152	11,152	11,152	11,152
Total public defender cases	13,385	13,385	13,385	13,385

# Health Care Stabilization Fund Board of Governors\_\_\_\_\_

**Mission.** The Health Care Stabilization Fund conducts its operations and activities in a manner to assure and facilitate a sound actuarial basis; assure and assist health care providers complying with the Health Care Provider Insurance Availability Act; defend the fund aggressively when eligible health care providers become involved in claims or court actions arising from the rendering of, or failure to render, professional services; and safeguard the interest of the fund through management activities which maximize the efficient operation of the fund.

**Operations.** The Health Care Stabilization Fund Board of Governors administers the Health Care Provider Insurance Availability Act. The Board of Governors has ten members, all of whom are representatives of health care providers who comply with and participate in the fund.

The Health Care Provider Insurance Availability Act, became effective July 1, 1976. Prior to this act, insurance availability problems had restricted the availability of certain health care services in Kansas. Specifically, certain hospital facilities and individual providers were unable to obtain what they believed to be sufficient excess professional liability insurance, placing them in the position of curtailing certain professional services or medical procedures until such time as adequate professional liability insurance could be obtained. The act mandates basic professional liability insurance for all active defined Kansas health care providers, establishes the Health Care Stabilization Fund, and authorizes the Health Care Provider Insurance Availability Plan.

Compliance records are maintained for approximately 29,000 individual health care providers, of which approximately 10,700 are actively engaged in rendering professional services. Each compliance

record contains information regarding the individual health care provider's basic professional liability insurance and the amount of the surcharge payment made to the Health Care Stabilization Fund. Basic professional liability insurance may be obtained from the voluntary insurance market, the Health Care Provider Insurance Availability Plan, if the health care provider is unable to locate coverage in the voluntary market place or a self-insurance program authorized by the Health Care Provider Insurance Availability Act.

**Goals and Objectives.** The goal of this agency is to manage the Health Care Stabilization Fund to assure and facilitate its sound actuarial basis. The following objectives have been established:

- Assure availability of professional liability insurance coverage, as required by the Kansas Health Care Provider Insurance Availability Act, for certain defined health care providers.

- Defend the interests of the fund when health care providers become involved in claims alleging malpractice or failure to render professional services.

- Assist health care providers in meeting the compliance requirements of the Health Care Provider Insurance Availability Act.

- Safeguard the interests of the fund through management activities which maximize the efficient operation of the fund.

**Statutory History.** Authority for the agency is found in KSA 40-3401 through 40-3423, the Health Care Provider Insurance Act. As of July 1, 1995, the Board of Governors became a separate agency.

## Health Care Stabilization Fund Board of Governors

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,304,781	1,342,758	1,362,583	1,363,468	1,372,787
Contractual Services	4,956,117	5,770,655	6,667,335	6,667,335	7,638,894
Commodities	26,002	38,515	39,075	39,075	39,075
Capital Outlay	5,358	28,140	32,600	32,600	32,600
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$6,292,258</b>	<b>\$7,180,068</b>	<b>\$8,101,593</b>	<b>\$8,102,478</b>	<b>\$9,083,356</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	21,910,074	25,393,775	29,431,385	29,431,385	34,110,975
<b>Subtotal: Operating Expenditures</b>	<b>\$28,202,332</b>	<b>\$32,573,843</b>	<b>\$37,532,978</b>	<b>\$37,533,863</b>	<b>\$43,194,331</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$28,202,332</b>	<b>\$32,573,843</b>	<b>\$37,532,978</b>	<b>\$37,533,863</b>	<b>\$43,194,331</b>
Non-expense Items	35,348,767	30,772,672	29,131,247	29,131,247	29,131,247
<b>Total Expenditures by Object</b>	<b>\$63,551,099</b>	<b>\$63,346,515</b>	<b>\$66,664,225</b>	<b>\$66,665,110</b>	<b>\$72,325,578</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	63,551,099	63,346,515	66,664,225	66,665,110	72,325,578
<b>Total Expenditures by Fund</b>	<b>\$63,551,099</b>	<b>\$63,346,515</b>	<b>\$66,664,225</b>	<b>\$66,665,110</b>	<b>\$72,325,578</b>
FTE Positions	18.00	18.00	17.50	18.00	18.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>18.00</b>	<b>18.00</b>	<b>17.50</b>	<b>18.00</b>	<b>18.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of cases opened	528	550	600	600
Number of cases closed	557	500	550	550
Unassigned reserves as a percent of indicated liabilities	33.5 %	35.0 %	N/A	N/A

# Kansas Public Employees Retirement System

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**Mission.** The Kansas Public Employees Retirement System (KPERS) is a plan of retirement, disability, and survivor benefits provided by law for Kansas public servants and their beneficiaries. The Board of Trustees and the staff of the retirement system strive at all times to safeguard the system's assets by adhering to the highest standards of fiduciary and professional care, to comply strictly with the law, and to conduct business in a courteous, timely, and effective manner.

**Operations.** KPERS is a consolidated pension system covering employees from the state and various local governments. KPERS was created by the 1961 Legislature to provide retirement, death, and long-term disability benefits to state and certain local employees. Since the inception of KPERS in 1962, subsequent legislative enactments have merged other retirement systems into KPERS. At the present time, the major coverage groups in the retirement system include KPERS—Non-School, KPERS—School, the Judges Retirement System, and the Kansas Police and Firemen's Retirement System for local police and fire officials and certain state employees of the Kansas Highway Patrol, the Kansas Bureau of Investigation,

and the campus police at Regents institutions. KPERS is governed by a nine-member Board of Trustees. Four of the board members are appointed by the Governor, one by the Speaker of the House, and one by the President of the Senate. In addition, two members are elected by the members of KPERS, and the State Treasurer is a Board member by statutory authority. The Board appoints an Executive Secretary to administer the system.

KPERS is an actuarially-funded system. The system is financed by employee and employer contributions. The employee contributions partially finance liabilities accruing from participating service credits. Employer contributions finance the group life and long-term disability program, amortization of prior service liabilities, and the balance of accrued liabilities from participating service credits. Administrative expenses for the system, as well as fees for managers and custodians of the system's assets, are financed directly from investment earnings.

**Statutory History.** Statutory authority for KPERS is found in KSA 74-4901 to 74-49a176.



# Kansas Public Employees Retirement System

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Program					
Operations	9,213,048	12,530,530	12,129,938	12,128,305	12,178,657
Public Employee Retirement Benefits	1,250,226,368	1,382,579,493	1,488,361,306	1,488,361,306	1,485,154,900
Investment-Related Costs	32,270,180	29,818,832	30,686,375	30,686,375	30,686,375
<b>Total Expenditures</b>	<b>\$1,291,709,596</b>	<b>\$1,424,928,855</b>	<b>\$1,531,177,619</b>	<b>\$1,531,175,986</b>	<b>\$1,528,019,932</b>
Expenditures by Object					
Salaries and Wages	5,548,356	7,016,865	7,051,956	7,050,323	7,100,675
Contractual Services	35,606,690	34,413,805	35,293,419	35,293,419	35,293,419
Commodities	123,272	98,380	107,387	107,387	107,387
Capital Outlay	190,270	800,800	343,200	343,200	343,200
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$41,468,588</b>	<b>\$42,329,850</b>	<b>\$42,795,962</b>	<b>\$42,794,329</b>	<b>\$42,844,681</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	3,224,723	3,228,505	3,226,757	3,226,757	20,351
<b>Subtotal: Operating Expenditures</b>	<b>\$44,693,311</b>	<b>\$45,558,355</b>	<b>\$46,022,719</b>	<b>\$46,021,086</b>	<b>\$42,865,032</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$44,693,311</b>	<b>\$45,558,355</b>	<b>\$46,022,719</b>	<b>\$46,021,086</b>	<b>\$42,865,032</b>
Non-expense Items	1,247,016,285	1,379,370,500	1,485,154,900	1,485,154,900	1,485,154,900
<b>Total Expenditures by Object</b>	<b>\$1,291,709,596</b>	<b>\$1,424,928,855</b>	<b>\$1,531,177,619</b>	<b>\$1,531,175,986</b>	<b>\$1,528,019,932</b>
Expenditures by Fund					
State General Fund	3,210,083	3,208,993	3,206,406	3,206,406	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	1,288,499,513	1,421,719,862	1,527,971,213	1,527,969,580	1,528,019,932
<b>Total Expenditures by Fund</b>	<b>\$1,291,709,596</b>	<b>\$1,424,928,855</b>	<b>\$1,531,177,619</b>	<b>\$1,531,175,986</b>	<b>\$1,528,019,932</b>
FTE Positions	86.25	97.35	97.35	97.35	97.35
Non-FTE Unclassified Permanent	1.00	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>87.25</b>	<b>98.35</b>	<b>98.35</b>	<b>98.35</b>	<b>98.35</b>

## **Operations**

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**Operations.** This program provides a centralized structure for the day-to-day administration of the Kansas Public Employees Retirement System (KPERS). Its primary functions include the keeping of statistical information, service records, contributions, payments, and accumulation of funds for active and inactive vested members of the various systems under KPERS. Services to participating employers and members include (1) determining creditable service; (2) purchasing and repurchasing service credit; (3) withdrawing from active membership and refunding accumulated contributions; (4) retiring; (5) providing death and long-term disability coverage; and (6) reporting finances.

The Executive Secretary is appointed by the Board of Trustees and administers the operations of KPERS. The Board of Trustees employs investment management firms, each managing a portfolio of assets from the KPERS Fund. Expenses include fees paid to the fund managers, the custodian bank, and consultant and litigation expenses, all of which are financed from investment earnings. Investment policy adopted by the board is executed by the investment management firms, and the results of these investment decisions are evaluated by both a contractual consulting firm and in-house analysts.

The Board contracts with an actuarial firm to provide assistance in establishing employer contribution rates as well as for advice on other matters related to

administration of the system and benefit programs. Administration expenses of the system are financed from investment income.

**Goals and Objectives.** The program's goals involve providing advice to the Board of Trustees while seeking prudent management of financial assets, administrative efficiency, accuracy in accounting, and quality service to KPERS members. These objectives will be followed in pursuit of the program's goals:

Ensuring compliance with all investment-related statutory requirements and the Statement of Investment Policy.

Reporting KPERS financial transactions timely and efficiently.

Improving responsiveness to state legislators, members, employers, and other parties.

Ensuring accuracy and timeliness in the payment of all benefit claims.

Protecting the accuracy, integrity, accessibility, and confidentiality of electronic information.

**Statutory History.** Statutory authority governing administration of the retirement system and the various benefit programs can be found in KSA 74-4901 through 74-49a176.

Kansas Public Employees Retirement System

**Operations**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	5,548,356	7,016,865	7,051,956	7,050,323	7,100,675
Contractual Services	3,336,510	4,594,973	4,607,044	4,607,044	4,607,044
Commodities	123,272	98,380	107,387	107,387	107,387
Capital Outlay	190,270	800,800	343,200	343,200	343,200
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$9,198,408</b>	<b>\$12,511,018</b>	<b>\$12,109,587</b>	<b>\$12,107,954</b>	<b>\$12,158,306</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	14,640	19,512	20,351	20,351	20,351
<b>Subtotal: Operating Expenditures</b>	<b>\$9,213,048</b>	<b>\$12,530,530</b>	<b>\$12,129,938</b>	<b>\$12,128,305</b>	<b>\$12,178,657</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$9,213,048</b>	<b>\$12,530,530</b>	<b>\$12,129,938</b>	<b>\$12,128,305</b>	<b>\$12,178,657</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$9,213,048</b>	<b>\$12,530,530</b>	<b>\$12,129,938</b>	<b>\$12,128,305</b>	<b>\$12,178,657</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	9,213,048	12,530,530	12,129,938	12,128,305	12,178,657
<b>Total Expenditures by Fund</b>	<b>\$9,213,048</b>	<b>\$12,530,530</b>	<b>\$12,129,938</b>	<b>\$12,128,305</b>	<b>\$12,178,657</b>
FTE Positions	86.25	97.35	97.35	97.35	97.35
Non-FTE Unclassified Permanent	1.00	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>87.25</b>	<b>98.35</b>	<b>98.35</b>	<b>98.35</b>	<b>98.35</b>

**Performance Measures**

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of monthly financial reports completed by 10th business day of next month	100.0 %	100.0 %	100.0 %	100.0 %
Annual cost of administrative operations as a percentage of benefit payments	0.7 %	0.9 %	0.8 %	0.8 %

## **Public Employee Retirement Benefits**

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**Operations.** The program includes the monthly retirement benefits paid to the members and their beneficiaries of the various systems administered by KPERS. The retirement benefit under any particular retirement plan is outlined by statute and is based on total service credit and certain average salaries earned while employed. The statutes provide for early retirement and optional forms of retirement where benefits continue after a member's death. The average state employee retiring under KPERS will receive an annual benefit of 1.75 percent times the years of credited service times final average salary. On January 1, 2014 this multiplier will increase to 1.85 percent. Benefits paid from this program represent all benefit payments made by the system, including payments to those retiring from local government and school service.

All benefit payments from the KPERS Fund are considered "off budget" expenditures. Benefit payments are financed from employer contributions,

employee contributions, and investment earnings on the balances in the KPERS Fund. Because the employer contributions component is also included in the salary budget of each state agency, this portion of the financing would otherwise be duplicated in expenditure reports. Therefore, this method of reporting budgeted expenditures eliminates the double-counting of employer contributions.

**Goals and Objectives.** This program reflects only expenditures made for benefits and is not a separate administrative unit. Goals and objectives, therefore, are included in the Operations Program.

**Statutory History.** Since the inception of the retirement system in 1962, a substantial number of changes have been made to the nature and scope of the retirement system and the various components of the benefit programs. Current statutory authority for KPERS and the various benefit programs can be found in KSA 74-4901 through 74-49a176.

## Public Employee Retirement Benefits

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	--	--	--	--	--
Contractual Services	--	--	--	--	--
Commodities	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	3,210,083	3,208,993	3,206,406	3,206,406	--
<b>Subtotal: Operating Expenditures</b>	<b>\$3,210,083</b>	<b>\$3,208,993</b>	<b>\$3,206,406</b>	<b>\$3,206,406</b>	<b>\$ --</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$3,210,083</b>	<b>\$3,208,993</b>	<b>\$3,206,406</b>	<b>\$3,206,406</b>	<b>\$ --</b>
Non-expense Items	1,247,016,285	1,379,370,500	1,485,154,900	1,485,154,900	1,485,154,900
<b>Total Expenditures by Object</b>	<b>\$1,250,226,368</b>	<b>\$1,382,579,493</b>	<b>\$1,488,361,306</b>	<b>\$1,488,361,306</b>	<b>\$1,485,154,900</b>
Expenditures by Fund					
State General Fund	3,210,083	3,208,993	3,206,406	3,206,406	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	1,247,016,285	1,379,370,500	1,485,154,900	1,485,154,900	1,485,154,900
<b>Total Expenditures by Fund</b>	<b>\$1,250,226,368</b>	<b>\$1,382,579,493</b>	<b>\$1,488,361,306</b>	<b>\$1,488,361,306</b>	<b>\$1,485,154,900</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of individuals receiving KPERS benefit payments each year	81,025	85,076	89,330	89,330
Amount of benefits paid (in millions)	\$1,247.0	\$1,379.4	\$1,485.2	\$1,485.2

## **Investment-Related Costs**

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**Operations.** This program reflects expenditures made for investment-related expenses as authorized by the Legislature through appropriation limitations. Since the Kansas Public Employees Retirement System came into existence in January 1962, the KPERS Board of Trustees has had the legal responsibility for management of the fund. The 1970 Legislature authorized the Board of Trustees to enter into contracts with one or more persons determined to be qualified to perform the investment functions for portions of the fund. The first contracts for investment management services were effective in May 1971. The 1970 legislation also provided that the investment management fees could be paid from the earnings of the fund and were therefore treated as “off budget.”

Statutes require that any contracts entered into by the Board of Trustees are to be paid according to fixed rates subject to the provisions of appropriation acts and are to be based on specific contractual fee arrangements. Additionally, the payment of any other investment-related expenses is subject to the provisions of appropriation acts.

Investment-related expenses include direct placement investment expenses, direct placement investment management fees, real estate investment management

fees, custodial bank fees, publicly-traded securities investment management fees, investment consultant fees, and litigation expenses.

**Goals and Objectives.** The goal of the program is to invest the retirement system’s assets in a manner consistent with the fiduciary standard of a prudent expert for the sole benefit of the participants and beneficiaries. To achieve this goal, the program implements the following objectives:

Achieve the time-weighted total rate of return that meets or exceeds the actuarial assumed rate, while maintaining a reasonable level of risk.

Ensure that investment managers meet or exceed individual performance benchmarks.

Ensure that fees are held to the lowest level consistent with prudent management of the assets.

**Statutory History.** Statutory authority for KPERS is found in KSA 74-4901 through 74-49a176. The statute specific to the appropriation of investment-related expenditures is KSA 74-4921.

Kansas Public Employees Retirement System

**Investment-Related Costs**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	--	--	--	--	--
Contractual Services	32,270,180	29,818,832	30,686,375	30,686,375	30,686,375
Commodities	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$32,270,180</b>	<b>\$29,818,832</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$32,270,180</b>	<b>\$29,818,832</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$32,270,180</b>	<b>\$29,818,832</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$32,270,180</b>	<b>\$29,818,832</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	32,270,180	29,818,832	30,686,375	30,686,375	30,686,375
<b>Total Expenditures by Fund</b>	<b>\$32,270,180</b>	<b>\$29,818,832</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>	<b>\$30,686,375</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**Performance Measures**

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Investment-related fees as a percentage of Retirement System	0.2 %	0.2 %	0.2 %	0.2 %

# Department of Revenue

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**Mission.** The mission of the Department is to collect taxes and fees, administer Kansas tax laws, issue a variety of licenses, and provide assistance to Kansas citizens and local governments.

**Operations.** The Department is organized into six programs. Administrative Services provides strategic planning, management control, policy direction, legal services, training, personnel services, information systems support, and administrative support to all parts of the Department. Aid to Local Governments distributes funds to local governments from the sand royalty tax, bingo enforcement tax, the minerals production tax, dealer vehicle fees for full privilege license plates, and taxes on marijuana and controlled substances. Alcoholic Beverage Control regulates the sale and distribution of alcoholic beverages and enforces regulations governing cigarette and tobacco products and bingo games.

Tax Operations administers virtually all state taxes, including personal and corporate income, retail sales and use, estate, minerals, motor fuels, and excise. Property Valuation appraises state property and assists local appraisers in administering assessments and tax laws. Motor Vehicles administers Kansas law relating to vehicle issuance of license plates and certificates of title, motor vehicle dealer licensing, and driver licensing control.

**Goals and Objectives.** The Department has established the following goals to accomplish its mission:

Encourage and achieve the highest degree of voluntary compliance with Kansas laws.

Provide assistance to Kansas citizens and local governments in an efficient, timely, and courteous manner.

Improve quality customer service and organizational performance.

Foster the personal and professional growth of its personnel.

Utilize progressive technology to improve productivity and efficiency.

**Statutory History.** The organization, powers, and duties of the Department of Revenue are found in KSA 75-5101 et seq. The current department was formed in 1972 through consolidation of the former Departments of Revenue, Motor Vehicles, Alcoholic Beverage Control, Property Valuation, Ports of Entry, and the Motor Vehicle Reciprocity Commission. KSA 75-5127 authorizes the Secretary of Revenue to organize the Department in the most efficient manner.



## Department of Revenue

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Program					
Administrative Services	43,844,225	38,405,253	33,463,420	33,454,289	32,624,021
Aid to Local Governments	10,163,647	8,934,725	8,954,725	8,954,725	8,954,725
Alcoholic Beverage Control	2,980,029	2,888,556	2,876,607	2,874,089	2,897,016
Tax Operations	26,685,981	26,208,245	26,504,036	24,877,004	25,022,612
Property Valuation	4,226,172	5,039,220	5,039,104	5,035,593	5,060,593
Motor Vehicles	19,369,628	21,444,207	22,154,068	22,146,346	22,230,709
<b>Total Expenditures</b>	<b>\$107,269,682</b>	<b>\$102,920,206</b>	<b>\$98,991,960</b>	<b>\$97,342,046</b>	<b>\$96,789,676</b>
Expenditures by Object					
Salaries and Wages	56,243,542	54,006,811	53,660,379	52,010,465	52,435,818
Contractual Services	32,692,965	31,329,479	27,542,442	27,542,442	26,564,719
Commodities	2,296,859	3,922,276	4,081,086	4,081,086	4,081,086
Capital Outlay	1,219,081	528,361	511,209	511,209	511,209
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$92,452,447</b>	<b>\$89,786,927</b>	<b>\$85,795,116</b>	<b>\$84,145,202</b>	<b>\$83,592,832</b>
Aid to Local Governments	10,169,897	8,974,725	8,994,725	8,994,725	8,994,725
Other Assistance	4,091,084	4,158,554	4,202,119	4,202,119	4,202,119
<b>Subtotal: Operating Expenditures</b>	<b>\$106,713,428</b>	<b>\$102,920,206</b>	<b>\$98,991,960</b>	<b>\$97,342,046</b>	<b>\$96,789,676</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$106,713,428</b>	<b>\$102,920,206</b>	<b>\$98,991,960</b>	<b>\$97,342,046</b>	<b>\$96,789,676</b>
Non-expense Items	556,254	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$107,269,682</b>	<b>\$102,920,206</b>	<b>\$98,991,960</b>	<b>\$97,342,046</b>	<b>\$96,789,676</b>
Expenditures by Fund					
State General Fund	16,028,216	16,091,541	16,111,722	14,489,641	14,597,812
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	91,241,466	86,828,665	82,880,238	82,852,405	82,191,864
<b>Total Expenditures by Fund</b>	<b>\$107,269,682</b>	<b>\$102,920,206</b>	<b>\$98,991,960</b>	<b>\$97,342,046</b>	<b>\$96,789,676</b>
FTE Positions	1,046.00	994.00	994.00	994.00	994.00
Non-FTE Unclassified Permanent	13.00	14.00	14.00	14.00	14.00
<b>Total Positions</b>	<b>1,059.00</b>	<b>1,008.00</b>	<b>1,008.00</b>	<b>1,008.00</b>	<b>1,008.00</b>

## **Administrative Services**

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**Operations.** The Administrative Services Program provides management support, coordination of policy direction, strategic planning, administrative appeals for aggrieved taxpayers, legal services, information technology support, training, and personnel services that assist the operating programs in carrying out their respective collection and enforcement responsibilities. The program is directed by the Secretary of Revenue and includes a variety of management as well as administrative services, such as research and revenue analysis, auditing, and accounting. The purpose of the program is to improve the efficiency of departmental operations and support operational units in increasing the degree of taxpayer compliance with state laws. The Office of the Secretary, Resource Management, Legal Services, Office of Policy and Research, Information Services, and Audit Bureau operate under the Division of Administrative Services.

In FY 2004, the Audit Bureau was transferred from the Division of Tax Operations to the Division of Administrative Services. Agreements with the Internal Revenue Service allow the Audit Bureau to identify taxpayers who have filed a federal tax return but not a state return. Information is also received to allow adjustments to returns audited by the IRS.

**Goals and Objectives.** One goal of Administrative Services is to foster a culture based on principle-

centered leadership, trust, open communication, teamwork, high performance, skill development, self-motivation, and continuous improvement. One objective to accomplish this goal is to:

Develop and implement a communication plan to keep all personnel and the public informed of policies, changes, or issues affecting them.

Another goal is the use of progressive technology to improve productivity and efficiency in support of business processes. An objective for this goal is to:

Maintain existing computer operations while implementing system changes required by legislative mandate or business process changes.

Another goal is to encourage and achieve the highest degree of voluntary compliance through the training of Department staff to administer the laws and mandates properly.

**Statutory History.** KSA 75-5101 provides for the organization of the Department of Revenue and delineates the powers of the Secretary of Revenue. KSA 75-5127 allows the Secretary to organize the Department of Revenue in a manner that will promote efficiency.

*Department of Revenue*  
**Administrative Services**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	20,617,484	17,958,636	17,542,230	17,533,099	17,680,554
Contractual Services	21,697,224	19,856,649	15,352,222	15,352,222	14,374,499
Commodities	538,497	453,639	432,639	432,639	432,639
Capital Outlay	938,794	136,329	136,329	136,329	136,329
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$43,791,999</b>	<b>\$38,405,253</b>	<b>\$33,463,420</b>	<b>\$33,454,289</b>	<b>\$32,624,021</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	51,826	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$43,843,825</b>	<b>\$38,405,253</b>	<b>\$33,463,420</b>	<b>\$33,454,289</b>	<b>\$32,624,021</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$43,843,825</b>	<b>\$38,405,253</b>	<b>\$33,463,420</b>	<b>\$33,454,289</b>	<b>\$32,624,021</b>
Non-expense Items	400	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$43,844,225</b>	<b>\$38,405,253</b>	<b>\$33,463,420</b>	<b>\$33,454,289</b>	<b>\$32,624,021</b>
Expenditures by Fund					
State General Fund	1,141,865	1,103,257	1,150,047	1,149,755	1,154,568
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	42,702,360	37,301,996	32,313,373	32,304,534	31,469,453
<b>Total Expenditures by Fund</b>	<b>\$43,844,225</b>	<b>\$38,405,253</b>	<b>\$33,463,420</b>	<b>\$33,454,289</b>	<b>\$32,624,021</b>
FTE Positions	317.90	285.90	285.90	285.90	285.90
Non-FTE Unclassified Permanent	7.00	6.00	6.00	6.00	6.00
<b>Total Positions</b>	<b>324.90</b>	<b>291.90</b>	<b>291.90</b>	<b>291.90</b>	<b>291.90</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of appeals resolved within 270 days of docketing	90.0 %	100.0 %	100.0 %	100.0 %
Percent of correspondence requests completed within 30 days	75.0 %	80.0 %	80.0 %	80.0 %

## Aid to Local Governments

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**Operations.** This program provides for the distribution of certain state-collected taxes to local governments as aid and tax refunds. A royalty of 15 cents per ton is paid by persons, partnerships, or corporations taking sand from or beneath the bed of any state-owned river. Local governments must use these funds for bank stabilization, soil conservation, or maintenance and operation of flood control systems. After deducting expenses incurred in collecting the tax, 75.0 percent of the balance is deposited in the State Water Plan Fund and the remainder is distributed to affected drainage districts.

Fifty percent of all receipts from the sale of full-privilege license plates to manufacturers and dealers of vehicles is deposited in the County Treasurers' Vehicle Licensing Fee Fund. The amounts due each county treasurer from this fund are paid quarterly, based on the amount received from licensed manufacturers or dealers whose established place of business is located in that county.

The mineral production tax was enacted by the 1983 Legislature and places excise taxes of 8.0 percent of gross value on oil and gas and \$1 per ton on coal. Of the taxes collected, 93.0 percent is deposited in the State General Fund and 7.0 percent in the Special County Mineral Production Tax Fund. During fiscal years in which any county receives \$100,000 or more in excise taxes, the distribution would be as follows: 7.0 percent in the Special County Mineral Production Tax Fund, 12.41 percent in the Oil and Gas Valuation and Depletion Trust Fund, and the remainder in the State General Fund. These funds are distributed proportionately to the counties where the production occurred. One-half of the distribution is credited to

each county general fund and one-half to the school districts in the county.

The drug tax is imposed on marijuana, domestic marijuana plants, and other controlled substances. Of all monies received from the collection of assessments of delinquent taxes and penalties, 75.0 percent is remitted to county, city, and state law enforcement agencies that were involved in the investigation that identified the drugs. Amounts remitted to local governments must be credited to special law enforcement trust funds for use solely for law enforcement and criminal prosecution.

**Goals and Objectives.** The goal of this program is to be accountable for the distribution of aid payments to local governments. An objective for this goal is to:

Ensure that all aid payments are made on or before the scheduled distribution dates.

**Statutory History.** KSA 70a-101 et seq. provide that anyone taking sand, gravel, oil, gas, and minerals from within or beneath the bed of any river which is the property of the state must pay a royalty. The 1983 Legislature passed KSA 79-4217, which imposed a severance tax on the production of oil, gas, coal, and salt. The 1987 Legislature amended KSA 79-4217 and deleted salt products from the severance tax statutes. KSA 79-5202 imposes a tax on marijuana, domestic marijuana plants, and other controlled substances, as defined by KSA 79-5201. The local proportionate share of the amounts collected was increased from 50.0 percent to 75.0 percent under KSA 79-5211. KSA 8-145 establishes the County Treasurers' Vehicle Licensing Fee Fund.

## Aid to Local Governments

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	--	--	--	--	--
Contractual Services	--	--	--	--	--
Commodities	--	--	--	--	--
Capital Outlay	--	--	--	--	--
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
Aid to Local Governments	10,163,647	8,934,725	8,954,725	8,954,725	8,954,725
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$10,163,647</b>	<b>\$8,934,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$10,163,647</b>	<b>\$8,934,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$10,163,647</b>	<b>\$8,934,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	10,163,647	8,934,725	8,954,725	8,954,725	8,954,725
<b>Total Expenditures by Fund</b>	<b>\$10,163,647</b>	<b>\$8,934,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>	<b>\$8,954,725</b>
FTE Positions	--	--	--	--	--
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of aid payments distributed on schedule	100.00 %	100.0 %	100.0 %	100.0 %

## Alcoholic Beverage Control

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**Operations.** The Alcoholic Beverage Control Division oversees several licensing regulatory, legal, and enforcement activities with primary focus on regulation of the distribution and sale of alcoholic beverages. All persons and organizations involved in the sale of alcoholic beverages, including retailers, suppliers, distributors, drinking establishments, farm wineries, salespersons, microbreweries, manufacturers, caterers, special order shipping, temporary holders, and private clubs, must obtain licenses or permits. The Division also enforces applicable liquor and tobacco laws.

The Division functions through four processes. The Investigation and Criminal Enforcement Unit investigates applicants and inspects premises for compliance with the Liquor Control Act and the Club and Drinking Establishment Act. Enforcement agents, as certified state law enforcement officers, work closely with local law enforcement agencies. This process also enforces the cigarette laws concerning sales to minors as part of a cooperative effort with other state agencies.

The Cigarette and Tobacco Enforcement (CATE) unit trains new licensees, conducts underage controlled buys, and inspects licensees for compliance with the federal Synar Amendment. The unit works to strengthen the enforcement of cigarette and tobacco laws and addressing issues associated with the Master Settlement Agreement and its components.

The Compliance Unit ensures that legal action is taken against licensees who violate the state's liquor and cigarette and tobacco laws. The licensing and marketing section works to ensure that only qualified persons or organizations obtain licenses. Field inspectors ensure that licensees remain compliant with the laws.

The Special Investigations Unit provides criminal investigation services for violations of the state's tax, driver's license, and vehicle laws.

**Goals and Objectives.** The following goals have been established for this program:

Improve the voluntary compliance with liquor and tobacco laws.

Enforce the tax on illegal drugs.

Work closely with local law enforcement agencies to uphold the laws.

Maximize technical capabilities to automate and improve the business processes of the agency.

Increase inspections of liquor licensees.

Protect public safety and health of minors by influencing compliance with liquor and tobacco laws.

**Statutory History.** In 1948, Kansas voters amended the state constitution, and the 1949 Legislature enacted the Kansas Liquor Control Act to provide for the regulation of all phases of manufacture, distribution, sale, possession, and traffic in alcoholic liquor and manufacture of beer, except 3.2 percent and less (KSA 41-101 et seq.). The 1965 Legislature passed the Kansas Club Law, later renamed the Club and Drinking Establishment Act, placing private clubs under the Director of Alcoholic Beverage Control (KSA 41-2601 et seq.). In 1972, the Legislature converted the Office of the Director of Alcoholic Beverage Control from an independent agency to a division of the Department of Revenue (KSA 75-5117).

The 1985 Legislature increased the drinking age for cereal malt beverage from 18 to 21. The 1986 Legislature amended the *Kansas Constitution* (Article 15, Section 10) to allow "liquor-by-the-drink."

The 2005 Legislature amended the Kansas Liquor Control Act to make it uniformly applicable to all cities and counties in the state. Retail sales became legal in all cities on November 15, 2005, unless the city by ordinance or election chose to become "dry."

The 2012 Legislature amended various provisions of the Liquor Control Act, the Cereal Malt Beverage Act, the Club and Drinking Establishment Act, the Liquor Enforcement Tax Act, and the Liquor Drink Tax Act. The legislation created two new license types; and authorized cereal malt beverage retailers to charge different prices for the same drink throughout the business day, otherwise known as the "happy hour bill."

*Department of Revenue*  
**Alcoholic Beverage Control**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	2,693,263	2,417,164	2,441,029	2,438,511	2,461,438
Contractual Services	185,147	275,687	275,487	275,487	275,487
Commodities	72,666	166,193	147,341	147,341	147,341
Capital Outlay	28,953	29,512	12,750	12,750	12,750
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$2,980,029</b>	<b>\$2,888,556</b>	<b>\$2,876,607</b>	<b>\$2,874,089</b>	<b>\$2,897,016</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$2,980,029</b>	<b>\$2,888,556</b>	<b>\$2,876,607</b>	<b>\$2,874,089</b>	<b>\$2,897,016</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$2,980,029</b>	<b>\$2,888,556</b>	<b>\$2,876,607</b>	<b>\$2,874,089</b>	<b>\$2,897,016</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$2,980,029</b>	<b>\$2,888,556</b>	<b>\$2,876,607</b>	<b>\$2,874,089</b>	<b>\$2,897,016</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	2,980,029	2,888,556	2,876,607	2,874,089	2,897,016
<b>Total Expenditures by Fund</b>	<b>\$2,980,029</b>	<b>\$2,888,556</b>	<b>\$2,876,607</b>	<b>\$2,874,089</b>	<b>\$2,897,016</b>
FTE Positions	44.00	51.00	51.00	51.00	51.00
Non-FTE Unclassified Permanent	1.00	3.00	3.00	3.00	3.00
<b>Total Positions</b>	<b>45.00</b>	<b>54.00</b>	<b>54.00</b>	<b>54.00</b>	<b>54.00</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of face-to-face training sessions completed within 30 days of new license issue date	82.0 %	85.0 %	85.0 %	85.0 %
Percent of compliant controlled "buy" investigations for cigarette and tobacco sales to minors	95.0 %	90.0 %	90.0 %	90.0 %
Percent of compliant random controlled "buy" investigations for alcohol sales to minors	84.0 %	85.0 %	85.0 %	85.0 %

## Tax Operations

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**Operations.** The Tax Operations Program administers virtually all state taxes, including personal and corporate income, franchise, retail sales and use, estate, minerals, motor fuels, and excise, such as cigarettes and alcoholic beverages. The program also administers the Homestead Property Tax and Food Sales Tax Refunds, and for local governments it administers sales use and transient guest taxes.

The Division has five subprograms: Channel Management, Customer Relations, Compliance Enforcement, Civil Tax Enforcement, and Electronic Services. Channel Management implements and supports a portfolio of “channels,” or paper forms and telephone filings, for moving tax-related information to and collecting information from the agency’s customers. Customer Relations partners with its internal and external customers to provide effective account management. Compliance Enforcement assists Kansas taxpayers who have been identified as requiring assistance in understanding their tax obligations and identifies taxpayers who fail to report taxes, underreport taxes, or underpay taxes.

Civil Tax Enforcement assists, educates, and encourages customers to comply with the tax laws of Kansas and pursues the resolution of tax debts that have not been satisfactorily resolved through the phone collection process. Field Investigation, a program within Civil Tax Enforcement, collects delinquent taxes and missing tax returns, performs field inspections, presents educational seminars, and conducts on-site field visits.

Electronic Services defines, implements, and supports a portfolio of electronic channels for moving information to and collecting information and payments from customers. An electronic channel includes web-based software, interactive voice response systems, and applications that are used for the purpose of filing tax returns and reports. Electronic Services manages the portfolio of channels to take advantage of appropriate new technologies.

**Goals and Objectives.** A primary goal of the Tax Operations Division is to administer and enforce tax

laws with integrity, fairness, and civility. This goal will be achieved through the following objectives:

- Provide consistent tax information by using established agency policies.

- Provide timely and accurate information through a single point of contact.

- Adapt service in response to customer feedback.

Another goal is to expand and encourage customer self-service through the following objectives:

- Expand service to 24 hours a day, 7 days a week.

- Expand electronic fund transfer capabilities.

- Expand credit card payment capabilities.

Another goal is to increase voluntary compliance with the tax laws through the following objectives:

- Provide education to customers on how to comply with tax laws.

- Apply strategic decision/risk management processes to support an effective discovery and collection program.

Another goal of Tax Operations is to reduce accounts receivable and speed resolution by applying decision analysis to enable staff to focus on current, collectable cases to allow for more rapid turnover of cases.

**Statutory History.** KSA 75-5102 through 75-5104 establish the Division of Taxation in the Department of Revenue. The 1997 Kansas Tax Equity and Fairness Act (KSA 79-2968) made changes to tax policy administration to allow the Department to conduct informal conferences to resolve appeals requiring interest on excess state collections and excess taxpayer payments, as well as to clarify in statute numerous property tax issues.



*Department of Revenue*  
**Tax Operations**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	19,104,775	18,950,759	19,239,319	17,612,287	17,757,895
Contractual Services	2,795,609	2,940,620	2,942,010	2,942,010	2,942,010
Commodities	397,324	523,463	522,125	522,125	522,125
Capital Outlay	11,213	13,740	13,350	13,350	13,350
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$22,308,921</b>	<b>\$22,428,582</b>	<b>\$22,716,804</b>	<b>\$21,089,772</b>	<b>\$21,235,380</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	3,827,988	3,779,663	3,787,232	3,787,232	3,787,232
<b>Subtotal: Operating Expenditures</b>	<b>\$26,136,909</b>	<b>\$26,208,245</b>	<b>\$26,504,036</b>	<b>\$24,877,004</b>	<b>\$25,022,612</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$26,136,909</b>	<b>\$26,208,245</b>	<b>\$26,504,036</b>	<b>\$24,877,004</b>	<b>\$25,022,612</b>
Non-expense Items	549,072	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$26,685,981</b>	<b>\$26,208,245</b>	<b>\$26,504,036</b>	<b>\$24,877,004</b>	<b>\$25,022,612</b>
Expenditures by Fund					
State General Fund	13,641,006	13,450,336	13,413,237	11,792,885	11,886,072
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	13,044,975	12,757,909	13,090,799	13,084,119	13,136,540
<b>Total Expenditures by Fund</b>	<b>\$26,685,981</b>	<b>\$26,208,245</b>	<b>\$26,504,036</b>	<b>\$24,877,004</b>	<b>\$25,022,612</b>
FTE Positions	378.00	369.00	369.00	369.00	369.00
Non-FTE Unclassified Permanent	2.00	2.00	2.00	2.00	2.00
<b>Total Positions</b>	<b>380.00</b>	<b>371.00</b>	<b>371.00</b>	<b>371.00</b>	<b>371.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Percent of individual income tax returns received electronically	73.0 %	90.0 %	92.0 %	92.0 %
Percent of electronically filed individual tax refunds issued in two weeks or less	90.0 %	95.0 %	95.0 %	95.0 %
Percent of tax payments received electronically	67.9 %	95.0 %	96.0 %	96.0 %

## Property Valuation

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**Operations.** The Director of the Division of Property Valuation administers the Property Valuation Program. The Director exercises general supervision over administration of the property valuation and taxation laws. This includes the duty to guide and supervise all local officials in the process. This program has four functions, one of which is state-assessed valuations. This function values all state-assessed property, including all public utility and motor carrier companies operating to, from, through, or in Kansas. The second function, guidelines and rules, provides a uniform valuation system, county assistance, guidelines, and rules to local officials responsible for the valuation and assessment of property for tax purposes. The third function, training and qualifications, provides on-site and classroom valuation and assessment training for local officials, particularly county appraisers, and administers the registered mass appraisal designation.

The Division of Property Valuation is responsible for accurately maintaining the list of those eligible to serve as county appraisers and county hearing officers. The final function prepares the annual sales/assessment ratio study that statistically measures the accuracy and uniformity of appraisals. Preparation of the substantial compliance report that measures appraisals and procedures for compliance with state laws is also part of this function.

**Goals and Objectives.** One goal of the Property Valuation Division is to provide counties, taxpayers, and staff with clear, useful, and accessible rules for valuing property. An objective for this goal is to:

Achieve customer satisfaction with rules at least 90.0 percent of the time.

Another goal is to provide education for county appraisers and officials, taxpayers, and staff regarding the valuation of property and other tax-related issues. Objectives for this goal are to:

Maintain a “very” or “extremely” satisfied rating on course evaluations from students at least 90.0 percent of the time.

Achieve a satisfaction rating with the annual education program of 95.0 percent or better from students’ supervisors.

Another goal of the Division is to ensure that uniform and accurate valuations and assessments occur. Objectives for this goal include:

Strive to have 99.0 percent of the residential values in Kansas fall within counties that meet statistical standards.

Strive to have 97.0 percent of the commercial values in Kansas fall within counties that meet statistical standards.

Strive to have 100.0 percent of the counties in substantial compliance with statistical and procedural standards.

**Statutory History.** A general property tax was enacted by the 1861 Legislature, with administration left to individual counties. The State Tax Commission was created in 1907 to operate a state assessment system, including hearing appeals, sitting as the State Board of Equalization, assessing public service companies and railroads, directing personal property valuations, and supervising local assessments.

Duties of the Tax Commission were transferred to the Commission of Revenue and Taxation in 1939, with property tax administration assigned to the Ad Valorem Division of the Commission. In 1957, the Property Valuation Department was established for ad valorem tax administration and assessment. The Property Valuation Department became a division of the new Department of Revenue in 1972 (KSA 75-5105 through 75-5107).

*Department of Revenue*  
**Property Valuation**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	3,261,538	3,298,224	3,316,472	3,312,961	3,337,961
Contractual Services	913,973	1,276,986	1,256,986	1,256,986	1,256,986
Commodities	27,750	73,502	73,502	73,502	73,502
Capital Outlay	556	333,280	333,280	333,280	333,280
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$4,203,817</b>	<b>\$4,981,992</b>	<b>\$4,980,240</b>	<b>\$4,976,729</b>	<b>\$5,001,729</b>
Aid to Local Governments	6,250	40,000	40,000	40,000	40,000
Other Assistance	16,105	17,228	18,864	18,864	18,864
<b>Subtotal: Operating Expenditures</b>	<b>\$4,226,172</b>	<b>\$5,039,220</b>	<b>\$5,039,104</b>	<b>\$5,035,593</b>	<b>\$5,060,593</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$4,226,172</b>	<b>\$5,039,220</b>	<b>\$5,039,104</b>	<b>\$5,035,593</b>	<b>\$5,060,593</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$4,226,172</b>	<b>\$5,039,220</b>	<b>\$5,039,104</b>	<b>\$5,035,593</b>	<b>\$5,060,593</b>
Expenditures by Fund					
State General Fund	1,245,345	1,537,948	1,548,438	1,547,001	1,557,172
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	2,980,827	3,501,272	3,490,666	3,488,592	3,503,421
<b>Total Expenditures by Fund</b>	<b>\$4,226,172</b>	<b>\$5,039,220</b>	<b>\$5,039,104</b>	<b>\$5,035,593</b>	<b>\$5,060,593</b>
FTE Positions	58.00	55.00	55.00	55.00	55.00
Non-FTE Unclassified Permanent	--	1.00	1.00	1.00	1.00
<b>Total Positions</b>	<b>58.00</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of counties with qualified county appraisers	102	105	105	105
Percent of commercial valuations meeting statistical requirements	90.2 %	90.0 %	90.0 %	90.0 %
Percent of counties in compliance with standards	87.0 %	96.0 %	96.0 %	96.0 %

## Motor Vehicles

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**Operations.** The Motor Vehicles Program administers Kansas law relating to vehicle titling and registration, motor vehicle dealer licensing, and driver's licenses. The Department's Vehicles Administration Subprogram administers the medical review program for driver safety and makes public records available for qualifying individuals and businesses.

The Vehicle Registration Subprogram administers laws requiring the titling and registration of all motor vehicles, including commercial vehicles. County treasurers act as agents of the state in processing vehicle titles and registrations. Currently, over 2.4 million vehicles are registered annually and approximately 800,000 titles are issued annually. The subprogram licenses and monitors 9,000 new and used vehicle dealers and salespersons. The subprogram also administers Kansas laws, other states' laws, and intergovernmental agreements relating to registration reciprocity and prorational fleet registration for the motor carrier industry. The Division of Motor Vehicles provides registration and cab cards for approximately 2,900 Kansas-based motor carriers.

The Driver License and Driver Control Subprogram administers driver tests and issues licenses. The subprogram records license suspensions or revocations, driving convictions, accident reports, traffic citations, and verifications of insurance termination.

**Goals and Objectives.** One goal is to replace the Vehicle Information Processing System (VIPS), and the Drivers' License System (KDLIS). Objectives associated with this goal include:

Complete the Division of Motor Vehicles Modernization Project during FY 2012, implementing new software systems and procedures to support vehicle registration and driver licensing.

Develop and offer on-line services to Kansas citizens such as driver's license status checks, access to driving records, fee payments and license reinstatement, and appointment scheduling services.

Another goal is to comply with the Commercial Motor Vehicle Safety Act (CMVSA) and the Real ID Act. The CMVSA of 1986 mandated that jurisdictions participate in a commercial driver's license program to make sure only qualified individuals are licensed. The Real ID Act establishes minimum standards for states in order for their identification cards to be accepted by the federal government.

**Statutory History.** The first Motor Vehicle Registration Law was enacted in 1913. An Office of the State Vehicle Commissioner was created in 1929. In 1931, a Uniform Operators and Chauffeurs Driver Licensing Act was passed. In 1939, duties of the vehicle commissioner were transferred to the State Highway Commission. In 1972, the function was transferred to the Department of Revenue. Basic law governing the Division of Motor Vehicles and appointment of the director is found in KSA 75-5110 et seq. The 2008 Legislature enacted Senate Substitute for HB 2542 to finance modernization of the Division's computer systems.

*Department of Revenue*  
**Motor Vehicles**

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	10,566,482	11,382,028	11,121,329	11,113,607	11,197,970
Contractual Services	7,101,012	6,979,537	7,715,737	7,715,737	7,715,737
Commodities	1,260,622	2,705,479	2,905,479	2,905,479	2,905,479
Capital Outlay	239,565	15,500	15,500	15,500	15,500
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$19,167,681</b>	<b>\$21,082,544</b>	<b>\$21,758,045</b>	<b>\$21,750,323</b>	<b>\$21,834,686</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	195,165	361,663	396,023	396,023	396,023
<b>Subtotal: Operating Expenditures</b>	<b>\$19,362,846</b>	<b>\$21,444,207</b>	<b>\$22,154,068</b>	<b>\$22,146,346</b>	<b>\$22,230,709</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$19,362,846</b>	<b>\$21,444,207</b>	<b>\$22,154,068</b>	<b>\$22,146,346</b>	<b>\$22,230,709</b>
Non-expense Items	6,782	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$19,369,628</b>	<b>\$21,444,207</b>	<b>\$22,154,068</b>	<b>\$22,146,346</b>	<b>\$22,230,709</b>
Expenditures by Fund					
State General Fund	--	--	--	--	--
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	19,369,628	21,444,207	22,154,068	22,146,346	22,230,709
<b>Total Expenditures by Fund</b>	<b>\$19,369,628</b>	<b>\$21,444,207</b>	<b>\$22,154,068</b>	<b>\$22,146,346</b>	<b>\$22,230,709</b>
FTE Positions	248.10	233.10	233.10	233.10	233.10
Non-FTE Unclassified Permanent	3.00	2.00	2.00	2.00	2.00
<b>Total Positions</b>	<b>251.10</b>	<b>235.10</b>	<b>235.10</b>	<b>235.10</b>	<b>235.10</b>

<b>Performance Measures</b>	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Number of registration renewals applications processed by county treasurers	2,577,933	2,700,000	2,700,000	2,700,000
Number of registration renewals received and processed via the Internet	463,189	250,000	250,000	250,000

# Court of Tax Appeals

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**Mission.** The mission of the Court of Tax Appeals is to resolve disputes between taxpayers and taxing authorities in an impartial and timely manner and to help maintain public confidence in the state and local tax systems.

**Operations.** The Court of Tax Appeals comprises two divisions: the regular division and the small claims and expedited hearings division. Three tax law judges preside over the Court's regular division. The small claims and expedited hearings division is supervised by the Court's chief hearing officer, who also serves as judge pro tempore in regular division proceedings. The judges serve staggered, four-year terms and are appointed by the Governor. One judge must be an attorney with at least five years of experience as an attorney or judge. Another must be a certified public accountant in active practice for at least five years. No more than two members may be of the same political party and no more than one may be appointed from any of the congressional districts.

The statutory duties of the Court include hearing appeals arising from property taxes paid under protest, equalization appeals, tax exemptions, and tax grievances. The Court hears appeals resulting from the orders of the Director of Taxation involving sales tax, compensating use tax, income tax, homestead tax refunds, drug tax assessments, and liquor enforcement tax. The Court also hears appeals arising from the orders of the Director of Property Valuation regarding reappraisal appeals, agriculture use values, state-assessed properties, and valuation guides.

The agency also has the authority to approve the issuance of no-fund warrants and certain general obligation bonds for local governments. Industrial revenue bond and economic development exemption applications must be filed with the appropriate taxing authority for review and recommendation and proper public notice must be given before the Court may issue its final determination.

Based on present trends, the Court of Tax Appeals anticipates the majority of its cases will be related to exemptions from taxation and valuation appeals. All single-family residential valuation appeals must be

heard at the small claims level before proceeding to the regular division. There are no fees for single-family residential valuation appeals filed at the small claims level.

**Goals and Objectives.** The principal goal of the Court of Tax Appeals is to hear and decide appeals and applications in a fair and timely manner. The Court objectives established to reach this particular goal include:

- Maintain a steady and manageable case flow by hearing cases as soon as practicable and by issuing timely written decisions.

- Use well-defined pre-hearing processes and status conferences to assist the parties in clarifying the issues and encourage early settlement.

- Be responsive to the people of Kansas by providing a fair, convenient, expeditious, and transparent tax appeal process.

- Implement new technologies and case management processes to enhance public access to current information about agency operations and case status.

**Statutory History.** On July 1, 2008, the Legislature created the new Court of Tax Appeals, constituted from the previous Board of Tax Appeals. Authority of the Court is found under KSA 74-2433 et seq. The Court is authorized to collect filing fees in accordance with KSA 2012 Supp. 74-2438a(a). Predecessors to the Court of Tax Appeals include the Board of Tax Appeals, established in 1957 and reformed in 1969; the Tax Commission, established in 1907; the Public Service Commission; and the State Commission of Revenue and Taxation.

During the 1998 Legislative Session, the Small Claims Division was created and Court members' educational requirements were amended. In addition, Court members were placed under the Kansas Supreme Court Rules of Judicial Conduct, which had previously not applied to these officials.

## Court of Tax Appeals

	FY 2012 Actual	FY 2013 Gov. Estimate	FY 2014 Base Budget	FY 2014 Gov. Rec.	FY 2015 Gov. Rec.
Expenditures by Object					
Salaries and Wages	1,528,798	1,567,048	1,579,907	1,578,192	1,589,833
Contractual Services	366,204	604,354	406,356	359,622	359,622
Commodities	13,718	18,921	19,410	19,410	19,410
Capital Outlay	53,958	3,753	11,500	11,500	11,500
Debt Service	--	--	--	--	--
<b>Subtotal: State Operations</b>	<b>\$1,962,678</b>	<b>\$2,194,076</b>	<b>\$2,017,173</b>	<b>\$1,968,724</b>	<b>\$1,980,365</b>
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	--	--	--	--
<b>Subtotal: Operating Expenditures</b>	<b>\$1,962,678</b>	<b>\$2,194,076</b>	<b>\$2,017,173</b>	<b>\$1,968,724</b>	<b>\$1,980,365</b>
Capital Improvements	--	--	--	--	--
<b>Total Reportable Expenditures</b>	<b>\$1,962,678</b>	<b>\$2,194,076</b>	<b>\$2,017,173</b>	<b>\$1,968,724</b>	<b>\$1,980,365</b>
Non-expense Items	--	--	--	--	--
<b>Total Expenditures by Object</b>	<b>\$1,962,678</b>	<b>\$2,194,076</b>	<b>\$2,017,173</b>	<b>\$1,968,724</b>	<b>\$1,980,365</b>
Expenditures by Fund					
State General Fund	960,625	963,703	967,336	919,731	925,642
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	--	--	--	--
Building Funds	--	--	--	--	--
Other Funds	1,002,053	1,230,373	1,049,837	1,048,993	1,054,723
<b>Total Expenditures by Fund</b>	<b>\$1,962,678</b>	<b>\$2,194,076</b>	<b>\$2,017,173</b>	<b>\$1,968,724</b>	<b>\$1,980,365</b>
FTE Positions	18.00	19.00	19.00	19.00	19.00
Non-FTE Unclassified Permanent	--	--	--	--	--
<b>Total Positions</b>	<b>18.00</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>

Performance Measures	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate
Total filings	8,025	7,824	8,088	8,088
Clearance rate (outgoing cases divided by incoming cases)	95.0 %	100.0 %	100.0 %	100.0 %
Number of days to close commercial appeals in the Regular Division	138	140	140	140
Average number of days between the appeal hearing and decision in small claims proceedings	20	20	20	20